

Idaho Economic Forecast

C.L. "Butch" Otter, Governor

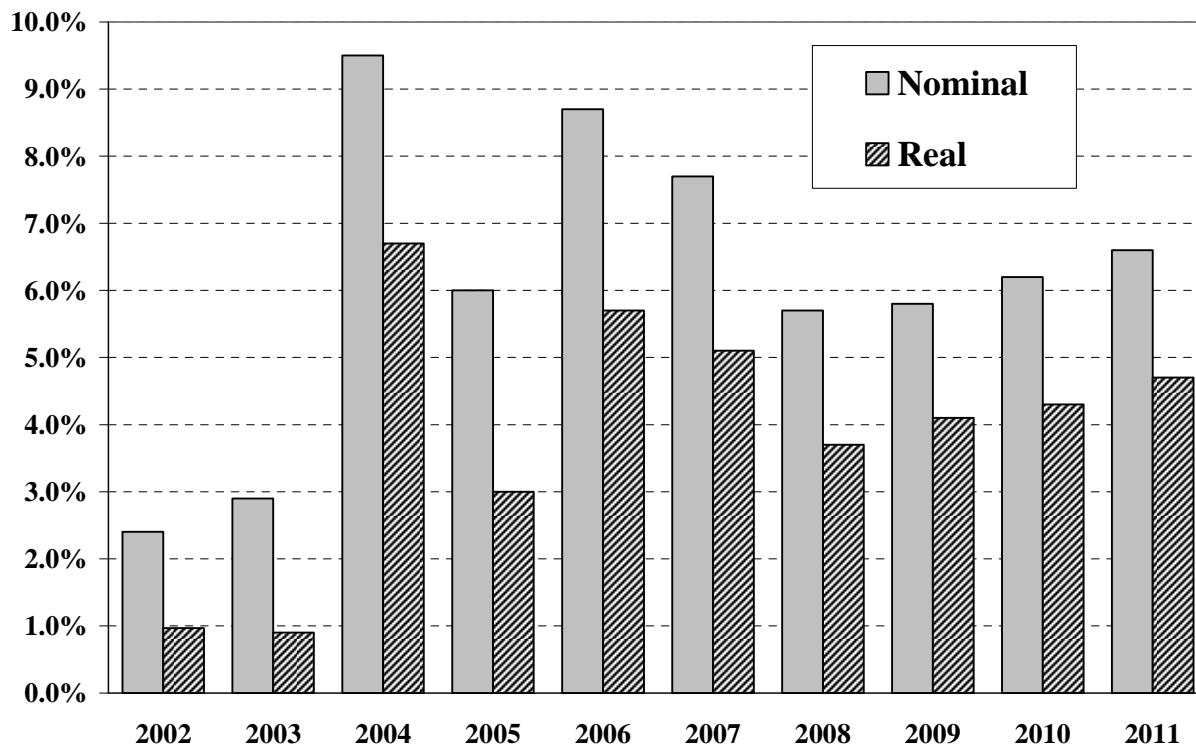
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- Forecast 2007-2011
- Asset Price Bubbles
- Alternative Forecasts

Idaho Nominal & Real Personal Income Growth



**IDAHO
ECONOMIC
FORECAST
2007 - 2011**

State of Idaho
C.L. “BUTCH” OTTER
Governor

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PREFACE

Idaho's economy continues to grow and evolve as it enters the 21st Century. The 1980s was a decade of stop-and-start economic performance. However, it also ushered in one of the longest expansions in the state's history. Since 1987, nonfarm employment has expanded every year and has consistently placed Idaho among the top ten fastest growing states in the nation. The 1990s saw a flood of new residents move into the state, causing the population to expand by an astounding 29% from 1990 to 2000. Over this period Idaho personal income nearly doubled. Much of the current expansion results from ongoing structural changes in Idaho's economy.

One of the biggest changes is the rise of the state's high-technology sector. Virtually nonexistent in the 1970s, this sector achieved critical mass in the 1990s to become the state's largest manufacturing employer. The growth of industry giants, such as Micron Technology and Hewlett-Packard, as well as the emergence and expansion of smaller companies, pushed payrolls above even the most optimistic forecasts made in the 1980s. The state's trade sector has also been going through a transformation. The last decade witnessed an influx of national "big box" merchandisers. During this same time, Idaho merchants successfully reached beyond the state's borders. Several regional shopping centers were established that serve locals, as well as attract shoppers from other states and Canada. Visitors fueled the surge in tourism that also benefited trade. Like its national counterpart, the service sector accounts for most of the nonfarm jobs in Idaho. Tourism has also been a boon to the service industry. While traditional factors, such as increasing discretionary income, continue to fuel the demand for services, other influences have emerged. For example, the use of temporary employees in manufacturing has bolstered business services employment. Idaho's outstanding work force has been a major factor in attracting call centers, back office operations, and credit card companies.

While many changes are taking place today, traditional resource industries still play a major role in Idaho's economy. Indeed, the state's mining, agriculture, and timber sectors all experienced lulls in the late 1990s. While displaying more resilience to downturns than in the past, these industries are not totally immune from business-cycle effects. The continuing dependence on natural resources will bring a host of challenges to Idaho.

Other factors that are external to the state's economy will also present challenges to decision makers. Public policy decisions made in Washington, D.C. affect resource industry and federal installations such as the Idaho National Laboratory and the Mountain Home Air Force Base. Finding balanced and acceptable solutions to endangered and threatened species issues and timber supply issues are of major economic significance.

In order to deal effectively with these challenges, public and private decisions need to be made with a thorough understanding of the structure of the state's economy. It is to this end that the *Idaho Economic Forecast* is directed.

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INTRODUCTION

The national forecast presented in this publication is the December 2007 Global Insight baseline forecast of the U.S. economy. The previous *Idaho Economic Forecast* is based on the October 2007 Global Insight baseline national forecast.

The recent histories and forecasts for Idaho real and nominal personal incomes are shown in the cover graph of this *Idaho Economic Forecast*. Both measures' growth rates are anticipated to slow in both 2007 and 2008, and then they gradually pick up speed over the remaining years of the forecast. Specifically, Idaho real personal income advances 5.1% in 2007, 3.7% in 2008, 4.1% in 2009, 4.3% in 2010, and 4.7% in 2011. Idaho nominal personal income increases 7.7% in 2007, 5.7% in 2008, 5.8% in 2009, 6.2% in 2010, and 6.6% in 2011.

FEATURE

Economists use the term "bubble" to describe an asset price that has risen above the level justified by economic fundamentals, as measured by the discounted stream of expected future cash flows that will accrue to the owner of the asset. The dramatic rise in U.S. stock prices during the late 1990s, followed similarly by U.S. house prices during the early 2000s, are episodes that have both been described as "bubbles." The feature article entitled "Asset Price Bubbles" describes some research that attempts to account for the behavior of asset price bubbles. It was written by Kevin J. Lansing. Mr. Lansing is a Senior Economist with the Federal Reserve Bank of San Francisco.

THE FORECAST

Alternative assumptions concerning future movements of key economic variables can lead to major variations in national and/or regional outlooks. Global Insight examines the effects of different economic scenarios, including the potential impacts of recessions, higher inflation, and future Federal Reserve Board decisions. Alternative Idaho economic forecasts were developed under different policy and growth scenarios at the national level. These forecasts are included in this report.

Historical and forecast data for Idaho and the U.S. are presented in the tables in the middle section of this report. Detail is provided for every year from 1994 to 2011 and for every quarter from 2005 through 2010. The solution of the Idaho Economic Model (IEM) for this forecast begins with the third quarter of 2007.

Descriptions of the Global Insight U.S. Macroeconomic Model and the IEM are provided in the Appendix. Equations of the IEM and variable definitions are listed in the last pages of this publication.

CHANGES

The Idaho Department of Labor provided monthly historical employment data that was seasonally adjusted and converted to a quarterly frequency by the Idaho Division of Financial Management (DFM). These adjusted data include final employment numbers through the second quarter of 2007 and estimates for the third quarter. These data show Idaho nonfarm employment grew much faster during these quarters than had been previously anticipated. Last October DFM predicted Idaho nonfarm employment would decline at a 1.9% annual pace in the second quarter of 2007 and grow at a 1.6% clip in the following quarter. New data show it expanded by 2.9% in the second quarter and 1.8% in the third quarter. As a result, Idaho nonfarm

employment is nearly 8,800 higher in the third quarter. About 2,800 of this increase was in the construction sector. Services employment was raised about 4,800. State and local government employment is about 1,000 higher than was reported in October 2007.

The tables in this forecast include the U.S. Bureau of Economic Analysis' (BEA) September 20, 2007 estimates of Idaho quarterly personal income through the second quarter of 2007. The quarterly estimates were revised back through the first quarter of 2004. The BEA published another round of Idaho quarterly personal income estimates on December 19, 2007. However, it was released too late to be included in the current forecast.

The *Idaho Economic Forecast* is available on the Internet at http://dfm.idaho.gov/Publications/Econ_Publications.html. Readers with any questions should contact Derek Santos at (208) 854-3070 or at dsantos@dfm.idaho.gov.

SUBSCRIPTIONS

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EXECUTIVE SUMMARY

The current Idaho economic outlook remains similar to the previous forecast, although some of the details have changed. In the October 2007 *Idaho Economic Forecast* nonfarm employment growth was expected to dip to 1.4% this year then accelerate through 2010. Over the 2007-2010 period, it was forecast to average 2.1% per year. In the current forecast, as in the previous one, Idaho nonfarm employment growth slows in 2008, and then it picks up speed thereafter. However, its average growth over the forecast period is slightly higher (2.3% versus 2.1%). By 2010, there are nearly 5,400 (0.8%) more jobs in the current forecast compared to the previous one. Most of the differences in employment reflect data revisions. In October it was reported there were an estimated 651,033 jobs in the third quarter, while the revised data show employment were 659,820 jobs. The data revisions have raised the starting point for the employment forecast, but they did not change its trajectory. As was mentioned above, Idaho nonfarm employment is expected to advance an average of 2.3% per year, which is just 0.2 percentage point faster than in the previous forecast. The Idaho personal income forecast has changed little since October 2007. For example, Idaho nominal personal income advances about 6.3% annually over the forecast period, compared to 6.4% in the previous forecast. In 2010, it is \$200 million (-0.4%) lower than in the previous forecast. Even after adjusting for inflation, Idaho personal income is just 0.5% lower in 2010 than the October amount. Since none of the historical personal income data were revised, none of these changes to the forecasts are attributable to a higher starting point. Instead, they reflect the impacts caused by economic fundamentals. Idaho's economy is expected to slow this year, and then it will gradually pick up speed during the remaining years of the forecast. As in the previous forecasts, Idaho is projected to expand faster than the national economy.

The national economic forecast comes with the warning that the economy's recent showing is not indicative of its future performance, especially in the short term. Rapid growth in the third quarter and a resilient labor market may suggest that the economy is doing just fine, but the storm clouds are still gathering. Growth is slowing, and the credit crisis has returned, threatening a more severe tightening in credit to households and businesses. Under these conditions, growth is expected to be zero in the fourth quarter, followed by weak but positive growth in the first quarter, before gradually improving over the rest of 2008. Key ingredients for this improvement are continuing robust export growth, lower oil prices, and a bottoming-out of housing starts by midyear. Housing remains the biggest drag on growth. Housing starts are forecast to hit bottom at just below 1.0 million units (annual rate) in the first half of 2008. Home prices will react more slowly than starts, but are heading lower too. Consumer spending growth will run at less than 1.5% annualized over the next three quarters. Slower growth in consumer and housing demand will make businesses more cautious about capital spending. The incentive to spend will be greatest for businesses who are selling into export rather than domestic markets. Nonresidential construction has boosted GDP growth throughout 2007. But the decline in home-building and the recent sharp tightening in credit conditions will begin to weigh on commercial construction. Fortunately, the falling dollar and relatively strong global economic growth should boost real net exports enough for the U.S. economy to skirt a recession. Falling prices should help gradually work off the huge housing inventory overhang, which will take an enormous weight off the economy's shoulders. Relieved of this burden, real GDP is expected to grow nearly 3.0% in each of the next three years.

**IDAHO ECONOMIC FORECAST
EXECUTIVE SUMMARY
JANUARY 2008**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
U.S. GDP (BILLIONS)												
Current \$	9,817	10,128	10,470	10,961	11,686	12,434	13,195	13,827	14,315	14,966	15,691	16,468
% Ch	5.9%	3.2%	3.4%	4.7%	6.6%	6.4%	6.1%	4.8%	3.5%	4.5%	4.8%	5.0%
2000 Chain-Weighted	9,817	9,891	10,049	10,301	10,676	11,004	11,319	11,563	11,779	12,118	12,469	12,832
% Ch	3.7%	0.8%	1.6%	2.5%	3.6%	3.1%	2.9%	2.2%	1.9%	2.9%	2.9%	2.9%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	31,290	33,054	33,849	34,816	38,123	40,414	43,917	47,294	49,986	52,894	56,164	59,874
% Ch	7.6%	5.6%	2.4%	2.9%	9.5%	6.0%	8.7%	7.7%	5.7%	5.8%	6.2%	6.6%
Idaho Nonfarm (Millions)	30,448	32,039	32,921	34,099	37,136	39,539	43,266	46,330	48,963	51,840	55,082	58,759
% Ch	8.5%	5.2%	2.8%	3.6%	8.9%	6.5%	9.4%	7.1%	5.7%	5.9%	6.3%	6.7%
U.S. (Billions)	8,430	8,724	8,882	9,164	9,727	10,301	10,983	11,662	12,204	12,797	13,458	14,163
% Ch	8.0%	3.5%	1.8%	3.2%	6.2%	5.9%	6.6%	6.2%	4.6%	4.9%	5.2%	5.2%
PERSONAL INCOME - 2000 \$												
Idaho (Millions)	31,289	32,376	32,690	32,970	35,167	36,214	38,295	40,234	41,717	43,423	45,286	47,424
% Ch	5.0%	3.5%	1.0%	0.9%	6.7%	3.0%	5.7%	5.1%	3.7%	4.1%	4.3%	4.7%
Idaho Nonfarm (Millions)	30,447	31,382	31,795	32,290	34,256	35,429	37,727	39,414	40,863	42,558	44,414	46,541
% Ch	5.9%	3.1%	1.3%	1.6%	6.1%	3.4%	6.5%	4.5%	3.7%	4.1%	4.4%	4.8%
U.S. (Billions)	8,429	8,545	8,578	8,678	8,973	9,231	9,578	9,922	10,185	10,506	10,852	11,219
% Ch	5.4%	1.4%	0.4%	1.2%	3.4%	2.9%	3.8%	3.6%	2.7%	3.2%	3.3%	3.4%
HOUSING STARTS												
Idaho	11,501	12,207	13,226	16,381	18,638	23,312	19,410	15,110	15,991	16,239	16,753	18,296
% Ch	11.0%	6.1%	8.3%	23.9%	13.8%	25.1%	-16.7%	-22.2%	5.8%	1.5%	3.2%	9.2%
U.S. (Millions)	1,573	1,601	1,710	1,854	1,950	2,073	1,812	1,346	1,035	1,312	1,540	1,717
% Ch	-4.5%	1.8%	6.8%	8.4%	5.2%	6.3%	-12.6%	-25.7%	-23.1%	26.8%	17.4%	11.5%
TOTAL NONFARM EMPLOYMENT												
Idaho	558,582	568,035	568,046	572,550	588,067	611,720	638,902	657,721	668,407	682,257	698,550	718,073
% Ch	3.8%	1.7%	0.0%	0.8%	2.7%	4.0%	4.4%	2.9%	1.6%	2.1%	2.4%	2.8%
U.S. (Thousands)	131,792	131,832	130,347	129,990	131,423	133,696	136,175	137,994	139,152	140,872	142,675	144,536
% Ch	2.2%	0.0%	-1.1%	-0.3%	1.1%	1.7%	1.9%	1.3%	0.8%	1.2%	1.3%	1.3%
SELECTED INTEREST RATES												
Federal Funds	6.2%	3.9%	1.7%	1.1%	1.3%	3.2%	5.0%	5.0%	3.6%	4.0%	4.8%	4.8%
Bank Prime	9.2%	6.9%	4.7%	4.1%	4.3%	6.2%	8.0%	8.1%	6.6%	7.0%	7.8%	7.8%
Existing Home Mortgage	8.0%	7.0%	6.5%	5.7%	5.7%	5.9%	6.6%	6.5%	6.0%	6.4%	7.0%	7.0%
INFLATION												
GDP Price Deflator	2.2%	2.4%	1.7%	2.1%	2.9%	3.2%	3.2%	2.6%	1.6%	1.6%	1.9%	2.0%
Personal Cons Deflator	2.5%	2.1%	1.4%	2.0%	2.6%	2.9%	2.8%	2.5%	1.9%	1.7%	1.8%	1.8%
Consumer Price Index	3.4%	2.8%	1.6%	2.3%	2.7%	3.4%	3.2%	2.9%	2.1%	1.6%	1.9%	1.8%

**National Variables Forecast by GLOBAL INSIGHT
Forecast Begins the THIRD Quarter of 2007**

**IDAHO ECONOMIC FORECAST
EXECUTIVE SUMMARY
JANUARY 2008**

	2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
U.S. GDP (BILLIONS)												
Current \$	13,552	13,769	13,967	14,021	14,126	14,238	14,374	14,524	14,704	14,876	15,054	15,231
% Ch	4.9%	6.6%	5.9%	1.5%	3.0%	3.2%	3.9%	4.2%	5.1%	4.7%	4.9%	4.8%
2000 Chain-Weighted	11,413	11,520	11,659	11,660	11,683	11,734	11,807	11,891	11,985	12,074	12,164	12,252
% Ch	0.6%	3.8%	4.9%	0.0%	0.8%	1.8%	2.5%	2.9%	3.2%	3.0%	3.0%	2.9%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	46,384	46,818	47,611	48,363	49,074	49,626	50,290	50,956	51,795	52,499	53,253	54,030
% Ch	11.1%	3.8%	6.9%	6.5%	6.0%	4.6%	5.5%	5.4%	6.8%	5.6%	5.9%	6.0%
Idaho Nonfarm (Millions)	45,384	45,994	46,622	47,320	48,002	48,563	49,300	49,988	50,693	51,455	52,213	53,000
% Ch	8.4%	5.5%	5.6%	6.1%	5.9%	4.8%	6.2%	5.7%	5.8%	6.1%	6.0%	6.2%
U.S. (Billions)	11,469	11,577	11,742	11,861	12,010	12,137	12,262	12,405	12,562	12,716	12,874	13,038
% Ch	10.0%	3.8%	5.8%	4.1%	5.1%	4.3%	4.2%	4.8%	5.1%	5.0%	5.1%	5.2%
PERSONAL INCOME - 2000 \$												
Idaho (Millions)	39,942	39,898	40,406	40,692	41,153	41,510	41,898	42,308	42,821	43,197	43,612	44,063
% Ch	7.3%	-0.4%	5.2%	2.9%	4.6%	3.5%	3.8%	4.0%	4.9%	3.6%	3.9%	4.2%
Idaho Nonfarm (Millions)	39,081	39,196	39,567	39,815	40,254	40,621	41,073	41,505	41,910	42,337	42,760	43,223
% Ch	4.7%	1.2%	3.8%	2.5%	4.5%	3.7%	4.5%	4.3%	4.0%	4.1%	4.1%	4.4%
U.S. (Billions)	9,876	9,866	9,965	9,979	10,071	10,152	10,216	10,300	10,385	10,462	10,543	10,633
% Ch	6.3%	-0.4%	4.1%	0.6%	3.7%	3.2%	2.6%	3.3%	3.3%	3.0%	3.1%	3.5%
HOUSING STARTS												
Idaho	16,636	15,656	13,766	14,381	15,293	16,100	16,267	16,305	16,424	16,569	16,109	15,852
% Ch	41.4%	-21.6%	-40.2%	19.1%	27.9%	22.8%	4.2%	0.9%	3.0%	3.6%	-10.6%	-6.2%
U.S. (Millions)	1,460	1,464	1,304	1,156	0,985	0,992	1,057	1,106	1,194	1,288	1,357	1,410
% Ch	-22.1%	1.1%	-37.2%	-38.2%	-47.3%	3.0%	29.1%	19.7%	35.8%	35.3%	23.1%	16.6%
TOTAL NONFARM EMPLOYMENT												
Idaho	652,120	656,831	659,820	662,115	664,253	666,598	669,844	672,932	676,367	680,385	684,239	688,038
% Ch	4.2%	2.9%	1.8%	1.4%	1.3%	1.4%	2.0%	1.9%	2.1%	2.4%	2.3%	2.2%
U.S. (Thousands)	137,447	137,864	138,160	138,504	138,744	138,955	139,264	139,645	140,139	140,674	141,123	141,554
% Ch	1.5%	1.2%	0.9%	1.0%	0.7%	0.6%	0.9%	1.1%	1.4%	1.5%	1.3%	1.2%
SELECTED INTEREST RATES												
Federal Funds	5.3%	5.3%	5.1%	4.5%	3.8%	3.5%	3.5%	3.5%	3.5%	3.8%	4.2%	4.5%
Bank Prime	8.3%	8.3%	8.2%	7.6%	6.8%	6.5%	6.5%	6.5%	6.5%	6.8%	7.2%	7.5%
Existing Home Mortgage	6.4%	6.5%	6.8%	6.5%	6.1%	6.0%	5.9%	6.0%	6.0%	6.2%	6.5%	6.8%
INFLATION												
GDP Price Deflator	4.2%	2.6%	0.9%	1.5%	2.3%	1.4%	1.4%	1.3%	1.8%	1.7%	1.8%	1.8%
Personal Cons Deflator	3.5%	4.3%	1.7%	3.5%	1.3%	1.0%	1.6%	1.4%	1.7%	1.9%	1.9%	1.7%
Consumer Price Index	3.8%	6.0%	1.9%	4.5%	1.2%	0.6%	1.5%	1.2%	1.8%	2.1%	2.0%	1.7%

**National Variables Forecast by GLOBAL INSIGHT
Forecast Begins the THIRD Quarter of 2007**

NATIONAL FORECAST DESCRIPTION

The Forecast Period is the Third Quarter of 2007 through the Fourth Quarter of 2011

The current forecast comes with the warning that the economy's recent showing is not indicative of its future performance, especially in the short term. Rapid growth in the third quarter and a resilient labor market may suggest that the economy is doing just fine, but the storm clouds are still gathering. Growth is slowing, and the credit crisis remains, threatening a more severe tightening in credit to households and businesses. Under these conditions, growth is expected to stall in the fourth quarter, followed by weak but positive growth in the first quarter, before gradually improving over the rest of 2008. Key ingredients for this improvement are continuing robust export growth, lower oil prices, and a bottoming-out of housing starts by midyear.

The economy is vulnerable to a potential double shock. The first shock is from housing and the credit crunch. Credit fears have re-emerged over the past month, while housing remains in a slump. Still threatening is a second shock from oil, although this risk has eased slightly over the past month, as prices have backed away from \$100/barrel. It is assumed that prices will slide down to \$75/barrel by the second quarter of 2008. Third-quarter GDP growth was impressive at 4.9%, revised up from 3.9%, but part of that revision came from stronger inventory accumulation—which is unlikely to be repeated. Growth dips to zero in the fourth quarter, as the decline in residential construction accelerates, consumer spending growth slows, and inventories become a drag, largely on production adjustments by automakers. Over the next three quarters, growth runs at an annual average pace of just 0.9%.

Housing remains the biggest drag on growth. The newly unveiled plan to freeze interest rates for some subprime borrowers, thereby limiting foreclosures, may reduce the downside risks to housing in 2008, but there is no magic solution to the overhang of unsold properties and no way to avoid further declines in home prices. Housing starts are forecast to hit bottom at just below 1.0 million units (annual rate) in the first half of 2008. Home prices will react more slowly than starts, but are heading lower too. The housing sector's blues will be shared by other parts of the economy.

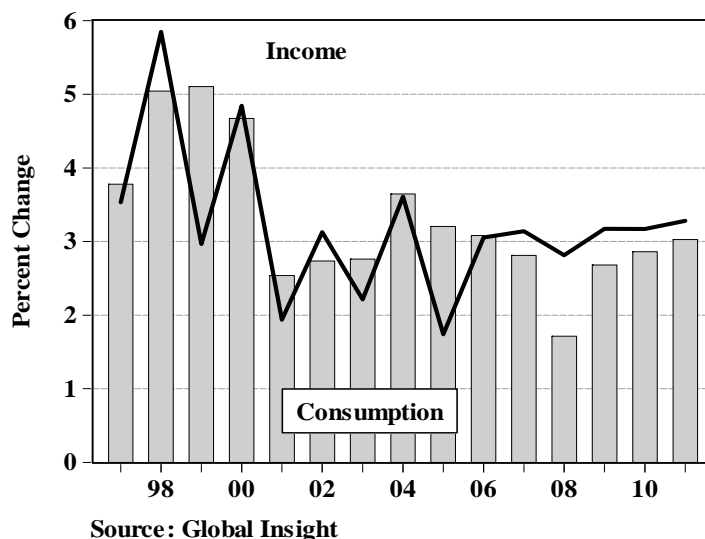
Slower employment gains, falling home prices, tighter credit availability, and high energy prices squeeze the consumer. As a result, spending growth is forecast to run at less than 1.5% annualized over the next three quarters. Indeed, 2007 is likely to be the first year since 2002 in which consumer spending growth falls short of income growth. Next year, consumer spending growth slips to 1.7%, well below the 2.8% gain in incomes. Slower growth in consumer and housing demand will make businesses more cautious about capital spending. Equipment spending growth is running around a 5.5% average pace in the second half of 2007, but should slow to just 2.2% in the first half of 2008. The incentive to spend will be greatest for businesses who are selling into export rather than domestic markets. Nonresidential construction has boosted GDP growth throughout 2007. But the decline in home-building and the recent sharp tightening in credit conditions will begin to weigh on commercial construction.

Fortunately, the falling dollar and relatively strong global economic growth should boost real net exports enough for the U.S. economy to skirt a recession. Falling prices should help gradually work off the huge housing inventory overhang, which will take an enormous weight off the economy's shoulders. Relieved of this burden, real GDP is expected to grow nearly 3.0% in each of the next three years.

SELECTED NATIONAL ECONOMIC INDICATORS

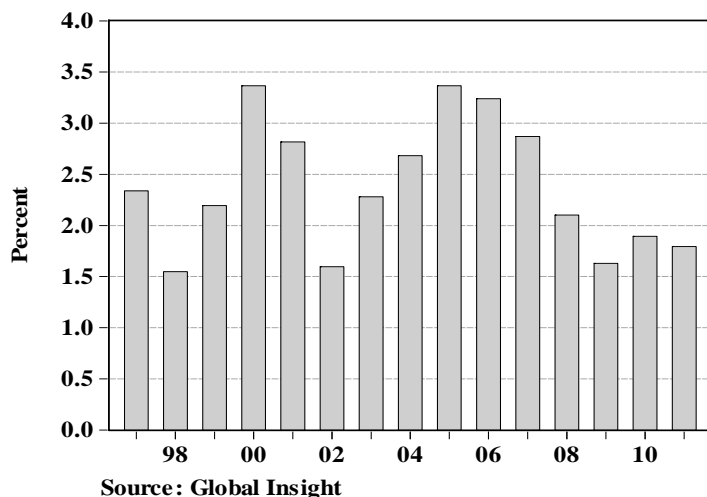
Consumer Spending: The nation's 16-year consumer spending spree is expected to continue despite threats in the form of the deepening housing slump, high energy prices, and a slowdown in job growth. After growing at a healthy 2.7% annual rate in the third quarter of 2007, real spending growth is expected to downshift, falling to a nadir of 0.8% in the first quarter of 2008. The housing situation's impact on spending deserves further clarification. Falling home prices are expected to erode household net worth and cause consumers to cut back on discretionary purchases. After declining 0.5% in 2007, real net worth is anticipated to eke out just 0.3% growth in 2008 followed by 1.1% growth in 2009. In addition, purchases of certain goods and services closely tied with the housing sector, such as appliances, furniture, and landscaping services, will also cool. Fortunately, total spending should be kept afloat by continued spending on electronics, health care, and recreation. It needs to be pointed out that high oil prices pose a significant risk to the consumer spending outlook. In November 2007 it was assumed a gradual retreat in the West Texas Intermediate crude oil price, from an average of \$90 per barrel in the current quarter to \$75 per barrel in the spring of 2008. It was calculated if oil prices were \$10/barrel higher in 2008, real disposable income would be reduced by 0.4% and real consumption would be 0.3% lower. It was also determined the economy would have 100,000 fewer jobs and 190,000 fewer light vehicles would be sold. Over the forecast period, real consumer spending should grow more in line with income than it has in the past. Real spending is forecast to increase 2.8% in 2007, 1.7% in 2008, 2.7% in 2009, 2.9% in 2010, and 3.0% in 2011. Real disposable income is expected to expand 3.1% in 2007, 2.8% in 2008, and around 3.2% in each of the remaining years of the forecast.

U.S. Real Consumption and Disposable Income Growth



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Consumer Price Inflation



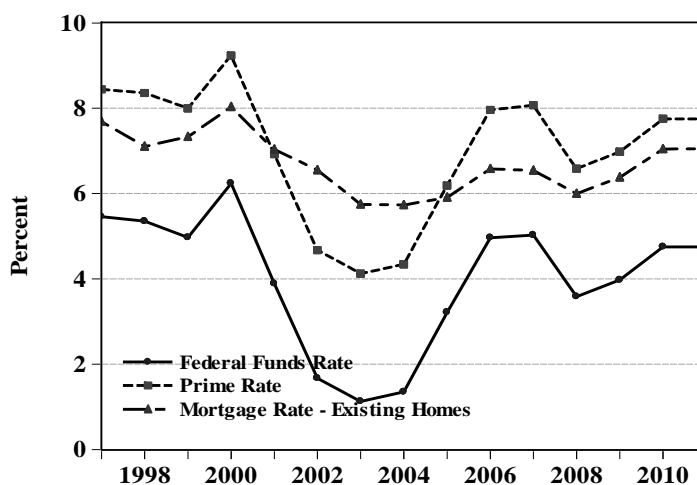
Inflation: Headline inflation should moderate over the forecast period, despite a flare up in late 2007. Inflation, as measured by the consumer price index, surged 4.5% in the fourth quarter due to pressures from its energy and food components. Food prices rose at a nearly 5.0% annual pace in that quarter and energy prices jumped at a 21.6% clip. However, when the impacts of these prices are removed from the index, core inflation rose just 2.3%. This moderate increase is good news. First, the impacts of rising energy and food prices remain well contained. While the prices of some consumer goods, such as airline tickets, have risen with fuel costs, the impacts have

been surprisingly benign. One of the reasons for this is global competition makes it harder for domestic businesses to pass rising costs on to their customers. Second, employer costs increases have been relatively low. For example, they have risen at about a 3% pace in recent quarters. This is important because these costs are a major determinant of core inflation. Employer labor costs, and, therefore, core consumer inflation, are expected to remain modest because of the slackening job market. Specifically, employment costs are forecast to increase 3.1% in 2007, 3.0% in 2008, 2.8% in 2009, 3.0% in 2010, and 3.2% in 2011. Core inflation should increase 2.3% in 2007, 2.1% in 2008, 1.9% in 2009, 2.0% in 2010, and 2.0% in 2011. The current forecast assumes energy prices will retreat then remain relatively stable over the next few years. Thus, overall inflation is expected to recede over most of the next few years. Overall consumer price inflation is projected to run 2.9% in 2007, 2.1% this year, 1.6% next year, 1.9% in 2010, and 1.8% in 2011.

Financial Markets: The recent aggressive policy action by the nation's central bank seems to be having some positive impact on the credit crises and the stability of the financial markets. As of early December, the Federal Reserve had lowered its federal funds rate a cumulative 75-basis points since September 18, 2007. This reduction resulted in lowered borrowing costs. For example, fixed-rate mortgages dropped about 50 basis points to near 6.2% in early November. While the effective reduction of borrowing costs is a positive development, in several other critical dimensions the recent distress in the financial and credit markets actually turned south. First, the major debt-rating

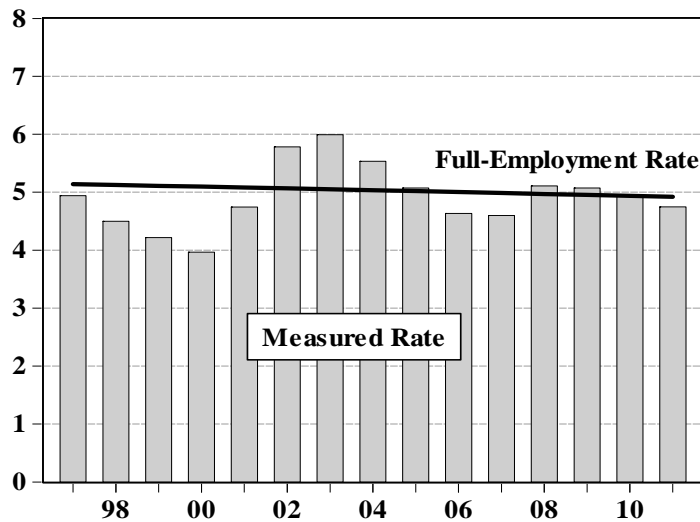
agencies continued to downgrade the ratings of mortgage-backed securities. The lower ratings continues to put severe downward pressure on mortgage-backed securities prices, which is putting more bank capital at risk beyond the write-downs that have already been taken. Second, the volume of asset-backed commercial paper outstanding declined through early November. Third, credit conditions have tightened. A Federal Reserve survey of senior loan officers in October showed tighter credit conditions for mortgages rose to a historical high this fall. Unfortunately, not only did credit conditions tighten for mortgages, but they also tightened significantly for commercial loans, commercial real estate loans, and other consumer loans. Not surprisingly, consumer credit growth has slowed. Until recently, consumers had been tapping credit card and auto loans to offset tighter credit conditions on home equity loans and refinancings. It now appears even these borrowing sources are drying up. Given the softening economic conditions, the question this fall was not if the Federal Reserve would loosen, but when and by how much. The answer came on December 11, 2007 when the Central Bank lowered its federal funds rate by 25 basis points. This move was anticipated and is built in to this forecast. This forecast also assumes the Federal Reserve will lower its federal funds rate by another 75 basis points to 3.5% over the first quarter of this year, and it will remain there through the rest of 2008. Once the Federal Reserve is convinced the economy has negotiated this rough patch, it will begin to tap on the monetary brakes, with the federal funds rate climbing to 4.8% by the end of 2010.

Selected U.S. Interest Rates



Source: Global Insight

U.S. Civilian Unemployment Rate



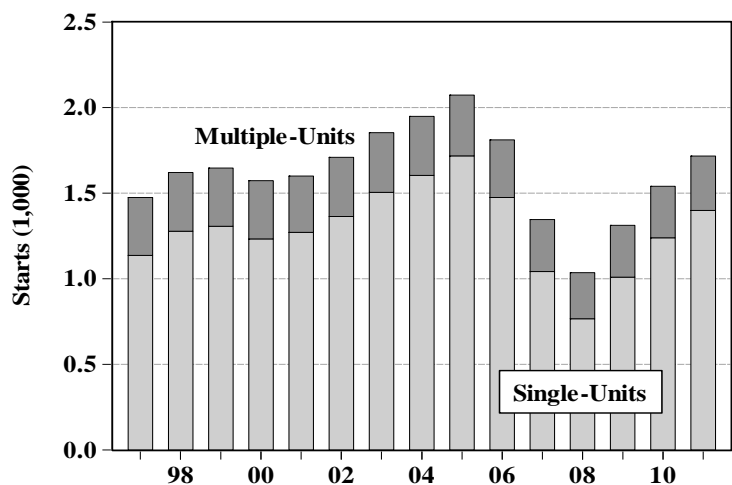
Source: Global Insight

of 2007. Unfortunately, this will be the high-water mark for several quarters. Nonfarm employment growth is forecast to slip below one percent in each of the first three quarters of this year. This slower job growth will further loosen labor markets, sending the unemployment rate to 5.2% by this year's third quarter. The hiring rate rises back above 1.0% beginning in the fourth quarter of 2008, once companies are convinced the economy is again on solid footing. Unfortunately, nonfarm employment does not improve fast enough to make a significant dent in the unemployment rate until later in the forecast horizon. After peaking at 5.2% in this year's third quarter, the civilian unemployment rate is still around 5.0% in 2010. It drops to 4.7% in 2011. It should be pointed out that the unemployment rate is higher than what is considered full-employment over most of the next few years.

Housing: Housing remains the biggest drag on the U.S. economy. Residential investment reduced economic output growth by 0.3 percentage point in 2006 and an estimated one percentage point in 2007. The housing industry is already two years into its recession, and it has yet to find its trough. Existing home sales plunged 4.7% in August and another 8.0% in September—to its lowest level since this data has been published. Other data also expose this sector's recent weaknesses. Housing starts sank 10.2% in September to their lowest level since March 1993. Single-family permits fell 7.1% that same month, portending another drop in housing starts in the fourth quarter of 2007. The inventory outlook also worsened this fall. The supply of existing single-family homes rose from 9.3 months to 10.2 months—its highest reading since February 1988. This inventory glut has pushed down housing

Employment: While labor markets are expected to cool over the next few quarters, they should remain warm enough to help keep the economy afloat. Many economists were pleasantly surprised when the U.S. Department of Labor reported nonfarm payroll employment increased by 94,000 jobs in November 2007 and the unemployment rate held steady at 4.7%. The report pointed out job growth continued in the professional and technical services, health care, and food services sectors. On the other hand, manufacturing continued to shed jobs, as did several other housing-related sectors, including construction, credit intermediation, and real estate. Overall, nonfarm employment is forecast to have increased 1.0% in the last quarter

U.S. Housing Starts



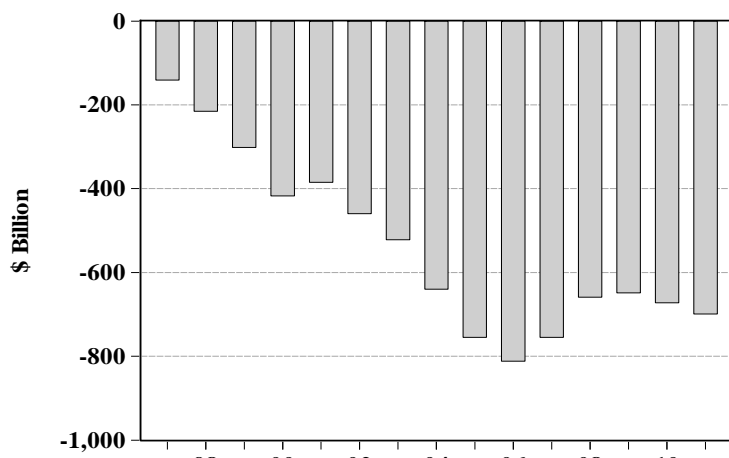
Source: Global Insight

prices. For example, the Office of Federal Housing Enterprise Oversight reported at the end of November its quarterly Housing Price Index (HPI) shrank for the first time in nearly 13 years in the third quarter of 2007. Unfortunately, housing prices are expected to slide further. The newly unveiled plan to freeze interest rates for some subprime borrowers may reduce the downside risks to the housing sector in 2008, but it is not a silver bullet solution to the inventory over hang and falling prices. The HPI is forecast to fall another 6.3% this year and 3.8% next year. While unpleasant, these declines are necessary for this industry's eventual recovery. Lower housing prices should eventually stimulate new and existing homes sales in the second half of 2008. The rebound in sales will help work off bloated inventories and set the stage for a rebound in single-family housing starts. Housing prices are expected to rise again in 2010. In summary, US housing starts are forecast to fall to 1.035 million units in 2008, but increase to 1.312 million units in 2009, 1.540 million units in 2010, and 1.717 million units in 2011.

International: International trade should be an important counterweight to the faltering housing sector. Unlike construction, real exports are expected to be a positive contributor to real GDP growth over the next few years. Specifically, net exports add 0.6 percentage point to real output in 2007, 0.9 percentage point in 2008, and 0.3 percentage point in 2009. This change marks a significant reversal. Up until last year, real exports were a drag on economic growth. The expected turnaround in real exports is being fueled by robust global growth and the weakening dollar. Growth in Asia is most promising. The mild global slowdown will only put a small dent in China's rapid growth rate. However, the Chinese government may have to tighten conditions later this year in order to prevent its economy from over heating. Of course, this policy runs the risk of overshooting the target, which could make for a harder-than-expected landing. This is important because the fates of several other Asian economies are tied to China's economy. Another Asian powerhouse is India. Thanks to domestic-led growth, this country should be able to sustain around 8.5% growth over the next few years. Not all the world's economies will grow this fast, however. Except for commodity-exporting countries, world economic growth is expected to "recouple" with the United States and slow down. Europe will be hit by multiple headwinds, including the global slowdown, a stronger currency, the continuing credit crunch, high oil prices, and housing problems in some countries. Japan will be similarly afflicted, although there is little evidence of fallout from the subprime and housing-related problems of the United States. For Canada and Mexico, weak U.S. growth will be offset by strong oil prices. Real exports will also benefit from the falling

dollar that tips the scale in favor of U.S. goods and services in the global market. The greenback has lost about one-fifth of its value over the last five years, and its slide is not over. Sentiments on the dollar should begin to improve in the second half of this year and early 2009, as the economy recovers. The Canadian dollar may have already peaked against the greenback, if oil prices keep falling. This forecast assumes the euro peaks at around \$1.55 next summer and falls to \$1.49 by year end. However, both the Japanese yen and Chinese renminbi should continue to rise against the dollar because of the large current-account surpluses in both countries.

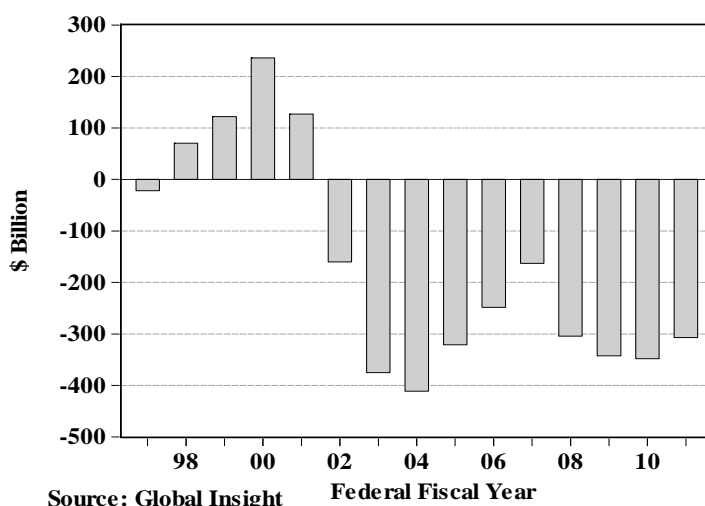
U.S. Current Trade Deficit



Source: Global Insight

Government: The current forecast assumes Congress will not allow all of the Bush tax cuts to expire as scheduled at the end of 2010. The income tax burden is expected to increase, however, through the capricious impact of the Alternative Minimum Tax or through some kind of tax reform that raises revenues. However, no major tax initiatives are anticipated before the 2008 presidential election. The unified federal budget deficit shrank to \$162.8 billion in 2007—its third straight annual decline. Unfortunately, the streak of declining deficits is expected to end soon. Predicted faster federal spending growth and slower revenue growth point to growing deficits in the future. The unified federal budget deficit swells to \$304.5 in 2008, to \$342.8 billion in 2009 and \$348.3 billion in 2010 and then shrinks to \$307.1 billion in 2011.

U.S. Federal Government Surplus Unified Basis



IDAHO FORECAST DESCRIPTION

The Forecast Period is the Third Quarter of 2007 through the Fourth Quarter of 2011

The current Idaho economic outlook remains similar to the previous forecast, although some of the details have changed. In the October 2007 *Idaho Economic Forecast* nonfarm employment growth was expected to dip to 1.4% this year then accelerate through 2010. Over the 2007-2010 period, it was forecast to average 2.1% per year. In the current forecast, as in the previous one, Idaho nonfarm employment growth slows in 2008, and then it picks up speed thereafter. However, its average growth over the forecast period is slightly higher (2.3% versus 2.1%). By 2010, there are nearly 5,400 (0.8%) more jobs in the current forecast compared to the previous one.

Most of the differences in employment reflect data revisions that occurred after the October 2007 *Idaho Economic Forecast* was published. In October it was reported there were 648,520 jobs in the second quarter of 2007 followed by an estimated 651,033 jobs in the third quarter. The revised data show employment was 656,831 jobs in the second quarter and 659,820 jobs in the third quarter. Thus, employment was actually about 1.3% higher in each quarter than was previously reported. The sectors with the largest upward revisions in the third quarter include construction (2,768 jobs), professional and business services (2,321 jobs), leisure and hospitality services (1,371 jobs), and noneducation-related government (1,108 jobs).

The data revisions may have raised the starting point for the employment forecast, but they did not change its trajectory. As was mentioned above, Idaho nonfarm employment is expected to advance an average of 2.3% per year, which is just 0.2 percentage point faster than in the previous forecast. It should also be noted that most of these gains come early in the forecast cycle. For example, nonfarm employment expands 2.9% in 2007 and 1.6% in 2008. In the previous forecast employment rises just 1.9% in 2007 and 1.4% in 2008. However, it rises faster in the last two years. As a result, the gap between the two employment forecasts goes from 6,823 jobs in 2007, to 8,623 jobs in 2008, to 8,340 jobs in 2009, and shrinks to 5,372 jobs in 2010.

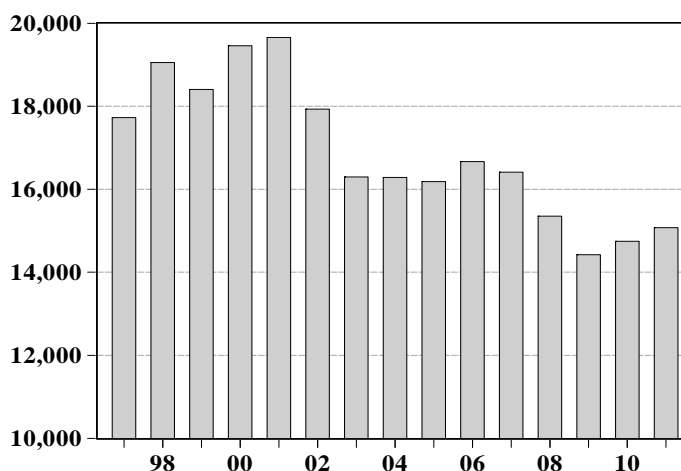
The Idaho personal income forecast has changed little since October 2007. For example, Idaho nominal personal income advances about 6.3% annually over the forecast period, compared to 6.4% in the previous forecast. In 2010, it is \$200 million (-0.4%) lower than in the previous forecast. Even after adjusting for inflation, Idaho personal income is just 0.5% lower in 2010 than the October amount. Since none of the historical personal income data were revised, none of these changes to the forecasts are attributable to a higher starting point. Instead, they reflect the impacts caused by economic fundamentals.

Idaho's economy is expected to slow this year, and then it will gradually pick up speed during the remaining years of the forecast. As in the previous forecasts, Idaho is projected to expand faster than the national economy. From 2007 to 2011, Idaho nonfarm employment is forecast to average 2.4%, which is twice as fast as the average for the nation. Idaho real personal income should increase at a 4.4% annual clip. National real personal income grows 3.2% per year.

SELECTED IDAHO ECONOMIC INDICATORS

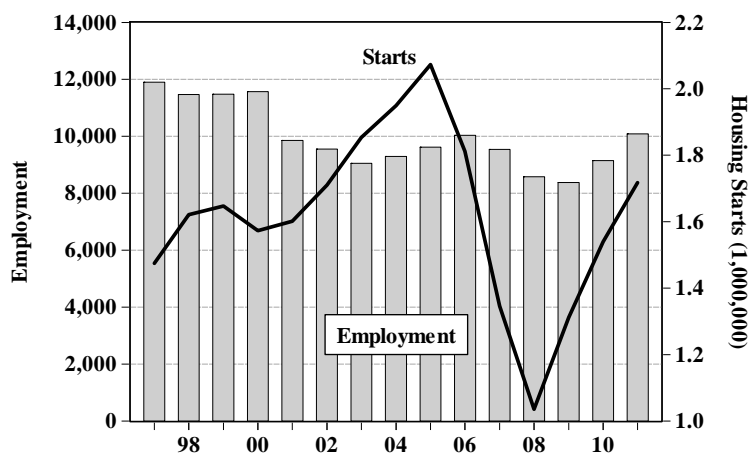
Computer and Electronics: The outlook for the state's largest manufacturing sector has changed little since the last forecast. In October 2007, Idaho computer and electronics employment was forecast to shed over 1,900 jobs over the three-year period from 2006 to 2009 and add fewer than 100 jobs in 2010. This malaise is present in the current forecast. Namely, 2,200 jobs are lost from 2006 to 2009 and about 300 jobs in 2010. As in the previous forecast, the current scenario is dominated by the 1,100-job reduction by Micron Technology. Company officials made this move to reduce production costs in order to stem the flow of red ink caused by falling prices for memory devices due to a worldwide glut of these products. For example, Micron Technology lost \$158 million in the last quarter of its fiscal year 2007, and a total of \$320 million last year. It lost \$262 million in the first quarter of its fiscal year 2008, as the prices of memory products continued to slide. Unfortunately, the worldwide imbalance of supply and demand that has depressed prices is not expected to right itself quickly. Idaho computer and electronics manufacturing employment is expected to be 16,411 in 2007, 15,350 in 2008, 14,424 in 2009, 14,746 in 2010, and 15,075 in 2011.

Idaho Computer and Electronic Products Employment



Logging and Wood Products: Idaho lumber and wood products employment is expected to continue straining under the weight of the national housing retreat. The state's second largest durable manufacturing sector shed jobs during most of 2007, as falling lumber and wood product prices and higher costs caused several mills to curtail their operations. Riley Creek Lumber Company shut down its Moyle Springs sawmill in November, idling 75 employees for two weeks. It also shut down at Christmas

Idaho Wood Product Employment and U.S. Housing Starts

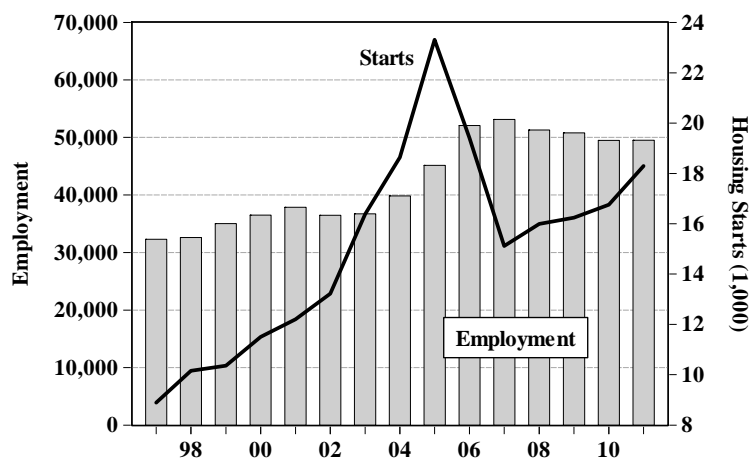


for a week. The Welco cedar mill near Naples also experienced layoffs and shutdowns in 2007. Stimson Lumber ran reduced shifts for most of last year. Unfortunately, this sector's declines have been occurring for some time. It appears Idaho's lumber and wood products sector responded much faster to U.S. housing declines than to its increases. Employment began falling in the third quarter of 2006—just one quarter after U.S. housing starts began retreating. National housing starts began taking off in 2002 and peaked at 2.07 million units in 2005. National wood production expanded 11.1% over this

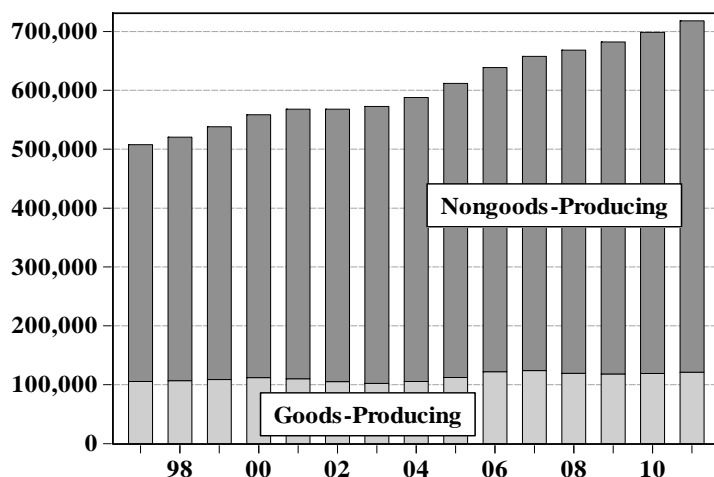
same period. The strong housing sector also led to a run up in lumber prices. Despite these strong conditions, the Gem State's lumber and wood products sector shed about 800 jobs from 2001 to 2003. Its first year-over-year job gain was delayed until 2004. The job expansion lasted until the second quarter of 2006 when employment peaked at around 10,200 jobs. The strong demand caused employment to offset a trend which had been exerting downward pressure on this sector for years. As demand continues ebbing, supply factors will once again dominate this sector's future. The biggest challenge Idaho's lumber and wood products sector faces is the dwindling timber supply from public forests. The U.S. Forest Service estimates the harvest from Idaho national forests fell by 60% from 1994 to 2005. As a result, the national forests' share of Idaho's timber harvest shrank from 28.5% in 1994 to 13.9% in 2005. This decline resulted in the closure of several mills around the state. Ironically, these closings have increased the lumber and wood products sector's overall efficiency. For example, Idaho's lumber and wood products sector produced 1.849 million board feet of lumber in 1994, which comes to about 157 thousand board feet per job. By 2005, output per worker climbed to 211 thousand board feet, a 34.1% increase. This trend is expected to continue, so it appears fewer workers will be needed in the future. Despite the industry's downsizing, excess capacity remains a challenge. It is estimated the industry can produce 20% to 25% more lumber than is being consumed in North America. Idaho lumber and wood products employment is forecast to be 9,537 jobs in 2007; 8,579 jobs in 2008; 8,374 jobs in 2009; 9,146 jobs in 2010; and 10,080 jobs in 2011.

Construction: The Idaho construction employment forecast has improved slightly compared to the previous forecast. This increase partially stems from revisions to the historical data that raised the starting point for the forecast. The previous data show construction employment falling around 11% in both the second and third quarters of last year. At this pace, employment was 50,489 in the third quarter of 2007. The revised data show Idaho construction employment was 53,257 in the third quarter, which is nearly 2,800 more jobs than in the previous forecast. The revised data also suggest Idaho construction may be more resilient than had been previously believed. This explains why it remains stronger over the forecast period, despite housing starts being lower in the current forecast. Specifically, construction employment declines an average of 1.3% annually through 2010 in the current forecast, while it drops 1.7% in the October 2007 forecast. Although the construction employment outlook has improved, it still pales in comparison to its recent performance. Construction employment growth expanded 5.4% annually from 1997 to 2006, and it was especially strong in the last two years when it grew by 13.3% and 15.4%, respectively. What is particularly remarkable is 2006's employment gain occurred in a year when Idaho housing starts shrank nearly 17.0%. Employment expanded thanks to robust nonresidential building. Unfortunately, this buffer is not likely to buoy employment for long. Idaho housing starts are estimated to have declined by 22.2% last year. Beginning this year, housing starts are forecast to grow again, albeit slowly. After increasing 2.0% in 2007, Idaho construction employment is expected to decline 3.4% in 2008, 1.1% in 2009, 2.5% in 2010, and remain flat in 2011.

Idaho Construction Employment and Housing Starts



Idaho Nonfarm Employment



Nongoods-Producing Industries:

Idaho's largest private employment sector, nongoods, will also be its fastest growing sector over the forecast period. Its importance should come as no surprise given its huge size. It accounted for roughly two-thirds of last year's job gain. Industries in this sector can be divided into two broad categories: services and trade. The services category had 292,726 employees in 2006 and there were 107,466 trade jobs. The services category consists of information services; financial activities; transportation, warehousing, and utilities; professional and business services; education and health services; leisure and hospitality

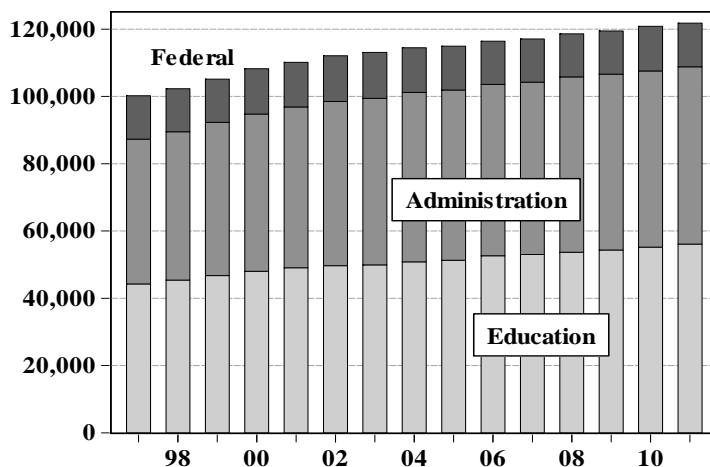
services; and other services. Trade is divided into retail and wholesale categories. Services employment has traditionally been the faster growing of the categories, advancing an average of 3.2% annually over the last five years versus 1.8% for trade employment. One of the services category's strongest performers is professional and business services. This category's employment should expand an average of 3.7% per year over the forecast period. Other hot performers include education and health services and leisure and hospitality services. An interesting trait of the former is that it is driven more by demographics than economics, so it is relatively immune to business cycle swings. This category should add jobs at a 3.9% average annual pace over the forecast period. Leisure and hospitality services should grow at a 3.6% clip. Financial services employment will feel the impact of the cooling local housing market. After expanding by an average of around 6.5% in both 2005 and 2006, its payroll growth will slow to 2.7% annually over the forecast period. After posting a 2.8% showing in 2007, transportation, warehousing, and utilities sector employment will also fall victim to the housing sector's woes and stall. Other services will expand. Information service employment should rise at a 2.3% annual pace. The other services category includes call centers such as Dial 411's new operation that has begun hiring in the Meridian area. Its payroll could reach 300 jobs within its first year of operation. Miscellaneous services employment growth is projected to accelerate over the forecast period. The trade sector's employment should grow an average of 3.8% per year. Employment will benefit from the opening or expansion of several large retailers. North Idaho retailers also hope more favorable exchange rates will draw more Canadian shoppers into their stores.

Government: The outlook for Idaho state and local government employment growth has improved slightly compared to the October 2007 *Idaho Economic Forecast*. It is important to note, however, that this increase stems primarily from a revision to historical data, not a significant improvement to economic fundamentals. Last October it was reported that there were 103,754 state and local government jobs in the third quarter of 2007. The revised data show this estimate was too low. The quarter's job count was actually 104,775, a 1,021 increase over the previous estimate. This increase is the net impact of about a 1,100 upward revision to noneducation-related employment and less than 100 jobs reduction to education-related employment. These revisions raised the current starting point for Idaho state and local government employment by about 1,000 jobs. While the starting point of the forecast has been raised, state and local government employment's growth rate is not expected to be much different than in the previous forecast because it is still expected to cool as the state's population

growth slows. The correlation between population and government employment is well established. From 1991 to 2000, Idaho's population increased about 2.5% per year. Over this same period, Idaho state and local government expanded 3.0% annually. This relationship exists because the demands of the growing population puts pressure on existing government resources. Government employment expands apace to meet this demand. An example from the recent past illustrates this point. From 1999 to 2004 population growth slowed to a 1.7% annual pace. State and local government employment growth followed suit, slowing to an average 1.9% annual pace.

Idaho's population growth jumped above 2.5% in both 2005 and 2006 thanks to an influx of over 24,000 new residents in each of both of these years. These new residents accounted for around two-thirds of the total population growth in those years. As Idaho's economy cools, net migration will fall to its lowest point in 2009, accounting for just under half of that year's population growth. Idaho's population is forecast to increase 2.5% in 2007, 2.2% in 2008, 1.9% in 2009, and 2.0% in both 2010 and 2011. Idaho state and local government employment is projected to rise about 1.0% annually over this same period. However, growth rates will differ between the education- and noneducation-related pieces. Idaho education employment is expected to advance about 1.3% per year from 2007 to 2010. During this same period, noneducation-related government employment should expand just under 0.7% annually. Federal government employment in Idaho has hovered near 13,000 jobs over the last few years, and it is projected to continue doing so over most of the forecast horizon. The exception being 2010, when hiring for the U.S. census pushes employment above 13,300.

Idaho Government Employment



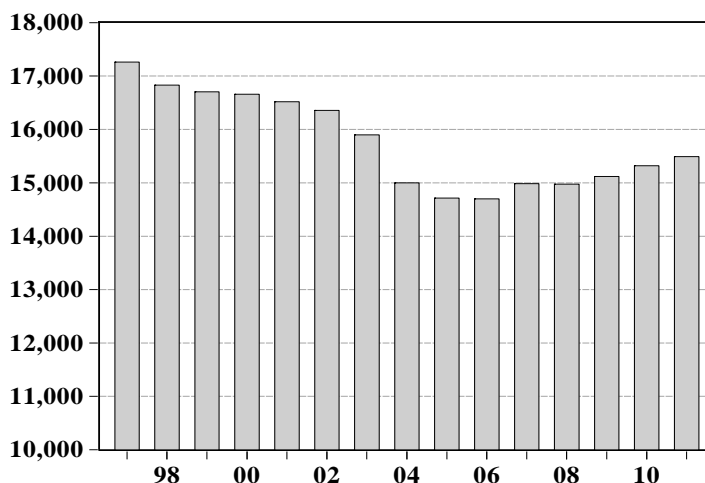
Mining: High metal prices have had a couple of noticeable impacts on the Idaho mining sector. First, it has turned around this sector's employment situation. Previous to 2003, Idaho mining employment decreased for five years, dropping from nearly 3,000 jobs in 1997 to about 1,750 jobs in 2002. This downward streak ended in 2003 when mining employment grew by 1.5%. This small increase proved to be the first step in an expansion that would see employment eventually top 2,700 jobs in 2007. Second, higher metal prices have increased expansion and exploration. Using the record profits it earned the last couple of years, Hecla Mining is expanding production at and exploration around its Lucky Friday Mine, where it employs 200 people. U.S. Silver Corp. is mining new finds at the Galena Mine, where another 200 people work, and it now is exploring the feasibility of reopening the Dayrock, a lead and zinc mine three miles northeast of Galena that closed in 1977. Sterling Mining Co. plans to re-open the Sunshine Mine, which closed in 2001, this winter. SNS Silver plans to spend \$3.5 million exploring the Crescent Mine. New Jersey Mining Co. is exploring at the Golden Chest, and its potential looks enormous. Timberline Resource Corp., headquartered in Coeur d'Alene, is exploring the Snowstorm, a historic silver-copper mine, and adjoining properties. Not all of the new activity is taking place north of the Salmon River, however. Standard Silver Corporation of Texas acquired the King Gold Mine that is 50 miles north of Boise. The J.R. Simplot Company is exploring for phosphate in the Dairy Sink Line area near the southeastern corner of the state. All of these projects could increase employment down the road. However, the cooling U.S. economy will make it difficult for mining employment to maintain its

stride in the near term. Specifically, Idaho mining employment is expected to increase 2.2% in 2008, then gradually decline over the remaining years of the forecast.

Food Processing: It appears that one of Idaho's manufacturing giants is stirring after a long slumber. Food processing employment grew in 2007 for the first time in a decade. Nearly 360 jobs were lost when the J.R. Simplot Company decided to close its Nampa meat packing plant in the fall of 2003 and shuttered its Heyburn potato processing plant that had run continuously since 1960. More recently, about 400 jobs were lost when the Swift and Company beef processing plant closed. Fortunately, conditions seem to have improved. For example, the Swift and Company beef processing plant has been reopened by XL Foods, Inc. It is anticipated that it will replace all

the jobs lost from Swift's closure once the plant is running at full capacity. Gossner Foods, Inc. opened a new cheese manufacturing plant in Heyburn on land formerly occupied by the J.R. Simplot plant. Brewster Dairy, Inc. has taken over the former Kraft plant in Rupert. Marathon Cheese is building a \$27-million plant in Mountain Home that will employ 250 workers. The plant's employment should climb to twice that many jobs in five years. Another new plant is High Desert Milk in Burley. When completed, this plant will employ 30 workers to manufacture powdered milk. Idaho Milk Products broke ground on a 180,000-square-foot facility in Jerome in late October. Once operational, the plant will process about 3 million gallons of milk per day into protein powders, lactose permeate, and cream. This recovery is important because food processing is an essential part of the Gem State's economy. This sector had 14,700 jobs in 2006, making it the state's second largest manufacturing employer. Other measures also point to its importance. The value of food manufacturing output accounted for more than half (55.7%) of the total Idaho nondurable manufacturing output from 1997 to 2004 and about 2.6% of the state's total gross domestic product. While 2.6% of output may appear to be a small part of the economy, it masks the state's dependence on this sector. Its relative importance can be seen when it is compared to its national counterpart. Food processing accounted for just 1.6% of U.S. economic output. Food processing employment accounted for 2.3% of the state's nonfarm jobs in 2006, while it accounted for just 1.1% of national nonfarm employment. Clearly, Idaho's economy is more dependent on food processing than the nation. After declining for several years, Idaho food processing employment is expected to expand over the forecast period.

Idaho Food Processing Employment



FORECASTS COMPARISON

Idaho has a dynamic economy whose growth is influenced by a myriad of local, national, and international factors. Therefore, changes to the projected values of such diverse variables as oil prices, interest rates, and national housing starts can have an effect at the state level. In order to account for the effects of such changes on the state's economy, each issue of the *Idaho Economic Forecast* uses Global Insight's most recent forecast of the U.S. economy. Additional data, such as company-specific expansions and/or contractions are also considered.

The following comparison table shows how the outlooks for several key Idaho and national economic series have changed from the October 2007 to the January 2008 *Idaho Economic Forecast*. The October 2007 *Idaho Economic Forecast* is based on Global Insight's October 2007 baseline forecast and the January 2008 *Idaho Economic Forecast* is driven by Global Insight's December 2007 baseline U.S. macroeconomic forecast.

Several key variables show how the outlooks for the national and state economies have changed compared to the October 2007 *Idaho Economic Forecast*. The national variables are discussed first. The bottom line is the U.S. economic outlook has changed very little since October 2007. Real GDP, one of the most widely used barometers of the economy's health, is 0.2% higher in 2007, and virtually unchanged in the remaining years of the forecast. Interestingly, the differences between real personal income in the current and previous forecasts are much larger. One of the reasons for this gap is weaker earned income caused by reduced wage prospects. Specifically, the U.S. average annual wage is about 1.1% lower in each year. As is the case with real output, nonfarm employment is virtually the same as it was in the previous forecast. The federal funds rate is lower in 2008 and 2009 in the current forecast, reflecting the assumption that the Federal Reserve will loosen more aggressively. Other key interest rates are also forecast to be lower during these two years.

A comparison between the current and previous Idaho economic forecasts is complicated by the recent data revision. This feature limits the usefulness of using employment differences as a meter of change. Instead, we refocus our attention on growth rates. Idaho nonfarm employment is expected to grow 2.3% annually over the 2007-2010 forecast period. This pace is slightly faster than the 2.1% annual rate anticipated in October 2007. Idaho real personal income is projected to advance 4.3% per year in the current forecast, which is slightly below the previous estimate of 4.4%.

**IDAHO ECONOMIC FORECAST
FORECASTS COMPARISON
DIFFERENCES BETWEEN
JANUARY 2008 AND OCTOBER 2007 FORECASTS**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
U.S. GDP (BILLIONS)										
Current \$	0	0	0	0	0	0	24	-6	-54	-50
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	-0.4%	-0.3%
2000 Chain-Weighted	0	0	0	0	0	0	21	1	-5	8
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.1%
PERSONAL INCOME - CURR \$										
Idaho (Millions)	0	0	0	0	0	0	59	117	55	-200
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.1%	-0.4%
U.S. (Billions)	0	0	0	0	0	0	-32	-52	-77	-91
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.3%	-0.4%	-0.6%	-0.7%
PERSONAL INCOME - 2000 \$										
Idaho (Millions)	0	0	0	0	0	0	-7	-11	-29	-218
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.5%
U.S. (Billions)	0	0	0	0	0	0	-41	-70	-82	-88
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.4%	-0.7%	-0.8%	-0.8%
TOTAL NONFARM EMPLOYMENT										
Idaho	1	4	6	8	8	3	6,823	8,623	8,340	5,372
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	1.3%	1.2%	0.8%
U.S. (Thousands)	0	0	0	0	0	0	75	203	218	300
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.2%
GOODS PRODUCING SECTOR										
Idaho	-1	0	1	3	3	2	1,952	2,540	2,011	693
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%	2.2%	1.7%	0.6%
U.S. (Thousands)	0	0	0	0	0	0	-7	31	-51	-41
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	-0.2%	-0.2%
NONGOODS PRODUCING SECTOR										
Idaho	2	4	5	5	4	1	4,871	6,083	6,328	4,679
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	1.1%	1.1%	0.8%
U.S. (Thousands)	0	0	0	0	0	0	82	172	269	341
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.3%
SELECTED INTEREST RATES										
Federal Funds Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.7%	-0.6%	0.0%
Bank Prime Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.7%	-0.6%	0.0%
Existing Home Mortgage Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.5%	-0.5%	0.0%
INFLATION										
GDP Price Deflator	0.000	0.000	0.000	0.000	0.000	0.000	-0.010	-0.057	-0.401	-0.486
Personal Cons Deflator	0.000	0.000	0.000	0.000	0.000	0.000	0.164	0.313	0.210	0.157
Consumer Price Index	0.000	0.000	0.000	0.000	0.000	0.000	0.004	0.010	0.007	0.006

Forecast Begins the **THIRD** Quarter of 2007

ALTERNATIVE FORECASTS

Global Insight has assigned a 50% probability of occurrence to its December 2007 baseline forecast of the U.S. economy. The major features of this forecast include:

- Real GDP increases 2.2% in 2007, 1.9% in 2008, and 2.9% annually thereafter;
- U.S. nonfarm employment grows 1.3% in 2007, 0.8% in 2008, 1.2% in 2009, and 1.3% in both 2010 and 2011;
- the annual U.S. civilian unemployment rate peaks at 5.1% then gradually declines to 4.7% in 2011;
- consumer inflation is 2.9% in 2007, 2.1% in 2008, 1.6% in 2009, 1.9% in 2010, and 1.8% in 2011;
- the current account deficit is \$755 billion in 2007, \$659 billion in 2008, \$649 billion in 2009, \$673 billion in 2010; and \$699 billion in 2011;
- the federal unified budget deficit is \$163 billion in 2007, \$305 billion in 2008, \$343 billion in 2009, \$348 billion in 2010, and \$307 billion in 2011.

OPTIMISTIC SCENARIO

Global Insight's *Optimistic Scenario* has been assigned a 10% probability of occurrence. In this scenario, the fortunate alignment of several positive factors results in a prosperous path for the economy. In this scenario, enhanced productivity results in higher economic and employment gains and lower inflation and budget deficits. Business fixed investment is stronger than in the baseline case and the residential investment contraction is less severe. Housing starts begin to recover early in 2008 and average 1.15 million units, compared to 1.04 million units in the *Baseline Scenario*. Foreign economic growth is also stronger, boosting U.S. exports and strengthening domestic manufacturing. As a result, real net exports grow faster over the forecast period, despite a stronger dollar. This scenario also assumes oil prices are around \$10 per barrel lower than in the baseline case, while wellhead natural gas prices are also lower.

Under these assumptions, the economic outlook is much brighter than in the baseline case. Real output rises 2.7% this year, 3.7% next year, and 3.4% in 2010. In comparison, it increases just 1.9% in 2008 and by 2.9% in both 2009 and 2010 in the *Baseline Scenario*. Despite the stronger growth, inflation is actually lower in the *Optimistic Scenario* thanks to the higher productivity. Year-on-year consumer price inflation falls into the middle range of the Federal Reserve's 1%-2% tolerance band and remains there throughout most of the forecast period, rather than hovering near the upper boundary, as in the baseline case. As a result, inflation shifts to the back burner as an item for the central bank to worry about.

The stronger national economy lifts Idaho's outlook. This improvement is clearly evident in the employment and income data. First, Idaho nonfarm employment rises faster than in the baseline case in all years except 2011. As a result, Idaho nonfarm employment tops the 722,000-job level in 2011, which is about 4,000 higher than its baseline counterpart. As the table shows, Idaho goods-producing employment does not decline as deeply in 2008 and 2009 and it grows stronger in 2010, and by 2011 there are about 1,500 more of these jobs than in the baseline case. Nongoods-employment has about 2,500 more jobs than in the baseline case in 2011. Idaho real personal income is also stronger in 2011, topping its baseline counterpart by nearly \$100 million.

IDAHO ECONOMIC FORECAST

BASELINE AND ALTERNATIVE FORECASTS

JANUARY 2008

	BASELINE				OPTIMISTIC				PESSIMISTIC			
	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011
U.S. GDP (BILLIONS)												
Current \$	14,315	14,966	15,691	16,468	14,409	15,119	15,875	16,680	14,091	14,644	15,408	16,289
% Ch	3.5%	4.5%	4.8%	5.0%	4.1%	4.9%	5.0%	5.1%	2.0%	3.9%	5.2%	5.7%
2000 Chain-Weighted	11,779	12,118	12,469	12,832	11,876	12,316	12,736	13,150	11,596	11,793	12,103	12,449
% Ch	1.9%	2.9%	2.9%	2.9%	2.7%	3.7%	3.4%	3.2%	0.3%	1.7%	2.6%	2.9%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	49,986	52,894	56,164	59,874	49,724	52,464	55,499	58,994	50,634	54,092	57,872	62,484
% Ch	5.7%	5.8%	6.2%	6.6%	5.2%	5.5%	5.8%	6.3%	7.0%	6.8%	7.0%	8.0%
U.S. (Billions)	12,204	12,797	13,458	14,163	12,273	12,929	13,593	14,300	12,109	12,632	13,315	14,130
% Ch	4.6%	4.9%	5.2%	5.2%	5.2%	5.3%	5.1%	5.2%	3.8%	4.3%	5.4%	6.1%
PERSONAL INCOME - 2000 \$												
Idaho (Millions)	41,717	43,423	45,286	47,424	41,756	43,548	45,405	47,521	41,984	43,905	45,824	48,214
% Ch	3.7%	4.1%	4.3%	4.7%	3.8%	4.3%	4.3%	4.7%	4.2%	4.6%	4.4%	5.2%
U.S. (Billions)	10,185	10,506	10,852	11,219	10,306	10,732	11,121	11,520	10,041	10,253	10,543	10,903
% Ch	2.7%	3.2%	3.3%	3.4%	3.8%	4.1%	3.6%	3.6%	1.2%	2.1%	2.8%	3.4%
TOTAL NONFARM EMPLOYMENT												
Idaho	668,407	682,257	698,550	718,073	668,894	684,814	702,532	722,041	668,044	681,667	698,012	718,289
% Ch	1.6%	2.1%	2.4%	2.8%	1.7%	2.4%	2.6%	2.8%	1.6%	2.0%	2.4%	2.9%
U.S. (Thousands)	139,152	140,872	142,675	144,536	139,985	142,577	144,741	146,692	137,873	138,475	140,145	142,426
% Ch	0.8%	1.2%	1.3%	1.3%	1.4%	1.9%	1.5%	1.3%	-0.1%	0.4%	1.2%	1.6%
GOODS-PRODUCING SECTOR												
Idaho	119,447	118,168	118,865	121,142	119,744	119,642	120,861	122,658	117,707	115,031	116,118	118,607
% Ch	-3.5%	-1.1%	0.6%	1.9%	-3.3%	-0.1%	1.0%	1.5%	-4.9%	-2.3%	0.9%	2.1%
U.S. (Thousands)	21,873	21,603	21,757	22,108	21,996	22,022	22,356	22,792	21,657	20,808	20,756	21,197
% Ch	-2.3%	-1.2%	0.7%	1.6%	-1.8%	0.1%	1.5%	1.9%	-3.3%	-3.9%	-0.2%	2.1%
NONGOODS-PRODUCING SECTOR												
Idaho	548,960	564,090	579,685	596,931	549,150	565,172	581,671	599,384	550,337	566,637	581,894	599,681
% Ch	2.8%	2.8%	2.8%	3.0%	2.9%	2.9%	2.9%	3.0%	3.1%	3.0%	2.7%	3.1%
U.S. (Thousands)	117,279	119,269	120,918	122,428	117,989	120,555	122,385	123,900	116,217	117,667	119,389	121,229
% Ch	1.5%	1.7%	1.4%	1.2%	2.1%	2.2%	1.5%	1.2%	0.6%	1.2%	1.5%	1.5%
SELECTED INTEREST RATES												
Federal Funds	3.6%	4.0%	4.8%	4.8%	4.3%	4.4%	4.5%	4.5%	3.4%	5.2%	6.0%	6.0%
Bank Prime	6.6%	7.0%	7.8%	7.8%	7.3%	7.4%	7.5%	7.5%	6.4%	8.2%	9.0%	9.0%
Existing Home Mortgage	6.0%	6.4%	7.0%	7.0%	6.2%	6.4%	6.7%	6.7%	6.8%	7.4%	7.9%	7.9%
INFLATION												
GDP Price Deflator	1.6%	1.6%	1.9%	2.0%	1.4%	1.2%	1.5%	1.8%	1.7%	2.2%	2.5%	2.8%
Personal Cons Deflator	1.9%	1.7%	1.8%	1.8%	1.3%	1.2%	1.5%	1.6%	2.6%	2.2%	2.5%	2.6%
Consumer Price Index	2.1%	1.6%	1.9%	1.8%	1.4%	1.2%	1.5%	1.5%	3.0%	1.9%	2.5%	2.5%

Forecast Begins the **THIRD** Quarter of 2007

PESSIMISTIC SCENARIO

The *Pessimistic Scenario* has been assigned a 40% probability of occurrence. This scenario assumes the housing recession deepens even more than in the baseline case and near-term oil prices spike above \$100 per barrel. This combination sends the economy into a recession. Housing starts drop to 857,000 units in 2008, compared with 1,035,000 units in the baseline. The median existing home price falls more than 10% below the baseline forecast in 2009. Homes sales are also much lower. The housing weakness leads to a consumer confidence retreat. This contraction, along with the drop in wealth associated with falling home prices, causes consumer spending to slow to a crawl in 2008. The bleaker outlook causes businesses to scuttle long-term projects. These weaknesses cause the economy to slip into a three-quarter recession that begins in this year's last quarter. But output is not the only thing to suffer declines in the near future. Employment drops for four straight quarters, losing 186,000 jobs from peak to trough. Industrial production falls for five quarters.

The Federal Reserve lowers the federal funds rate to 3.0% in early 2008 in an attempt to revive the flagging economy. In 2008, the productivity slowdown, high energy prices, and a weakening dollar, rekindle inflation. The Federal Reserve hikes rates to head off inflation, but its efforts prove to be too little, too late. Core inflation creeps upwards, then settles just above 3.0%, which is a full point above the baseline level. Inflation is higher in this scenario because of the lower productivity gains and the weaker dollar, and because the central bank decides to live with inflation at 3.0% rather than risk another recession.

Idaho nonfarm employment is virtually unchanged from the *Baseline Scenario*. In 2011, there are about 200 more jobs than in the baseline case. This difference is the net effect of the lopsided performances of the goods- and nongoods-producing sectors. Goods-producing employment finishes the forecast period with about 118,600 jobs, which is about 2,500 fewer jobs than in the baseline. On the other hand, there are nearly 600,000 nongoods-producing jobs in 2011, or 2,750 more jobs than in the baseline case. This improvement is fed by higher Idaho real personal income which occurs because the lower productivity raises producers' costs, e.g., wages per job. Idaho real personal income is \$790 million higher in 2011 than in the *Baseline Scenario*.

Asset Price Bubbles

Kevin J. Lansing¹

Nowhere does history indulge in repetitions so often or so uniformly as in Wall Street. When you read contemporary accounts of booms or panics the one thing that strikes you most forcibly is how little either stock speculation or stock speculators today differ from yesterday. The game does not change and neither does human nature.

—From the thinly disguised biography of legendary speculator Jesse Livermore, by E. Lefèvre (1923, p. 180).

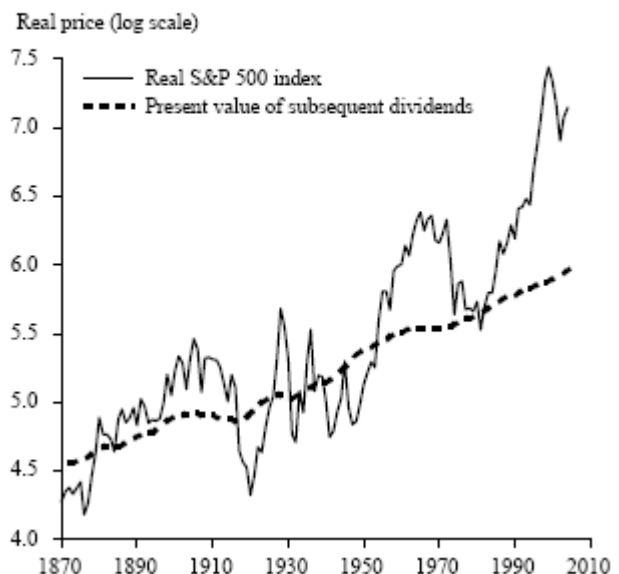
Speculative bubbles have occurred throughout history in numerous countries and asset markets. The term "bubble" was coined in England in 1720 following the famous price run-up and crash of shares in the South Sea Company. The run-up led to widespread public enthusiasm for the stock market and a proliferation of highly suspect companies attempting to sell shares to investors. One such venture notoriously advertised itself as "a company for carrying out an undertaking of great advantage, but nobody to know what it is." The epidemic of fraudulent stock-offering schemes led the British government to pass the so-called "Bubble Act" in 1720, which was officially named "An Act to Restrain the Extravagant and Unwarrantable Practice of Raising Money by Voluntary Subscription for Carrying on Projects Dangerous to the Trade and Subjects of the United Kingdom." Throughout history, speculative bubbles have usually coincided with outbreaks of fraud and scandal, followed by calls for more regulation once the bubble has burst (see Gerding 2006).

Economists use the term "bubble" to describe an asset price that has risen above the level justified by economic fundamentals, as measured by the discounted stream of expected future cash flows that will accrue to the owner of the asset. The dramatic rise in U.S. stock prices during the late 1990s, followed similarly by U.S. house prices during the early 2000s, are episodes that have both been described as "bubbles." This *Economic Letter* describes some research that attempts to account for the behavior of asset price bubbles.

Bubbles and excess volatility

Numerous empirical studies, starting with Shiller (1981) and LeRoy and Porter (1981), have demonstrated that stock prices appear to exhibit "excess volatility." To illustrate the basic idea, Figure 1 plots the real (inflation-adjusted) value of the S&P 500 stock index from 1871 to 2004, together with the present value of subsequent real

Figure 1
Real S&P 500 index and present value of subsequent dividends



¹ This article originally appeared in the Number 2007-32; October 26, 2007 *FRBSF Economic Letter*. Opinions expressed in this article are those of the authors and do not necessarily reflect the views of the management of the Federal Reserve Bank of San Francisco or the Board of Governors of the Federal Reserve System.

dividends, where dividends beyond 2004 are presumed to grow at the historical average rate. The constant discount rate used in the present value calculation is the geometric-average real return on stocks over the full sample—a measure of rational investors' required rate of return. The use of a variable discount rate does not change the basic conclusions, as shown by Shiller (2003).

Theory says that the observed price of a stock represents the rational forecast of the discounted stream of future dividends that will be paid to shareholders. One characteristic of a rational forecast is that it should be less variable than the object being forecasted. This principle appears to be grossly violated in the case of stock prices. Figure 1 shows that the observed stock price (the forecast) appears to be much more variable than the present value of subsequent dividends (the object being forecasted). Bubble models may help account for this excess volatility because they allow stock prices to become detached from fundamentals.

Irrational exuberance versus rational speculation

Shiller (2005) describes a simple and intuitive feedback model of bubbles. If asset prices start to rise, the success of some investors attracts public attention that fuels the spread of enthusiasm for the market. New (often less sophisticated) investors enter the market and bid up prices. This "irrational exuberance" heightens expectations of further price increases, as investors extrapolate recent price action far into the future. The market's meteoric rise is typically justified in the popular culture by some superficially plausible "new era" theory that validates the abandonment of traditional valuation metrics. But the bubble carries the seeds of its own destruction; if prices begin to sag, pessimism can take hold, causing some investors to exit the market. Downward price motion begets expectations of further downward motion, and so on, until a bottom is eventually reached.

Shiller's feedback model says that investors eschew fundamentals in favor of simple price extrapolation rules. Along these lines, Lansing (2006) shows how an individual investor may become "locked in" to the use of an extrapolative forecast rule if other investors are following the same approach. From the perspective of an individual investor, switching to a fundamentals-based forecast would appear to reduce forecast accuracy, so there is no incentive to do so. The term "lock-in" borrows from research on the choice among competing technologies. The original contributions of David (1985) and Arthur (1989)

argue that early chance events or "historical accidents" may cause people to initially choose, and then stick with, an inferior technology. In the case of stocks, extrapolative forecast rules can be viewed as an inferior technology because market predictions would improve if all investors could be induced to switch to a fundamentals-based approach.

In contrast to Shiller's irrational exuberance view, so-called "rational bubble" models say that investors are fully cognizant of an asset's fundamental value, but nevertheless they may be willing to pay more than this amount. This can occur if expectations of future price appreciation are large enough to satisfy the rational investor's required rate of return. To sustain a rational bubble, the stock price must grow faster than dividends (or cash flows) in perpetuity.

Figure 2
U.S. price-dividend ratio
Price-dividend ratio

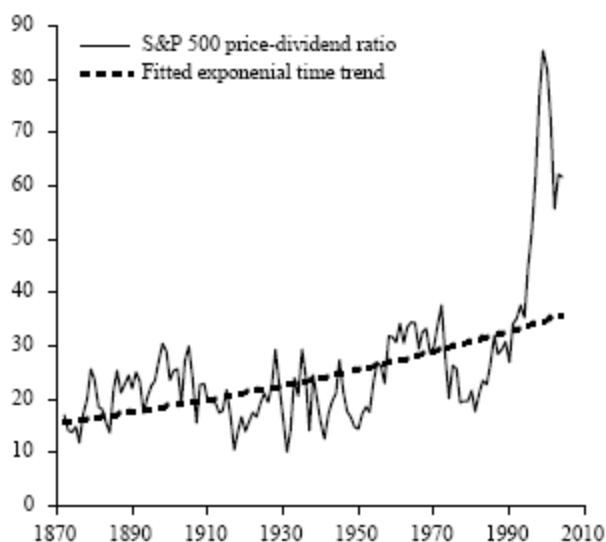


Figure 2 plots the U.S. price-dividend ratio from 1871 to 2004 together with an estimated exponential time trend. The estimated trend is around 1 percent per year. If this trend were to continue indefinitely, as implied by a rational bubble model, then the U.S. price-dividend ratio would double about every 72 years—a seemingly unrealistic model of long-run market behavior. Indeed, Hall (2001, p. 3) dismisses the idea that "intelligent people [would] believe that the value of a stock will become larger and larger in relation to all other quantities in the economy." Froot and Obstfeld (1991, p. 1190) acknowledge that "It is difficult to believe that the market is literally stuck for all time on a path along which price-dividend ratios eventually explode." A more elaborate model assumes that the bubble will periodically crash according to some universally known probability function, but this is an ad hoc feature that is determined completely outside of the model.

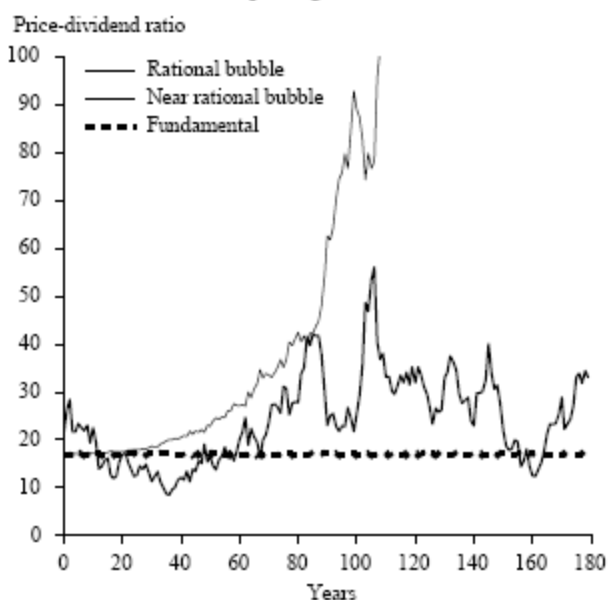
From a theoretical perspective, rational bubbles must always be positive, i.e., the stock price must always exceed its fundamental value. By definition, rational expectations must be correct on average. So, if rational investors expected the stock price to depreciate below its fundamental value, then they would be unwilling to overpay for the stock in the first place, i.e., the bubble would never get started. Also, there must be an infinite number of market participants. Otherwise, the market would eventually run out of rational investors who are willing to overpay now for an asset in order to sell later (at a higher price) to another rational investor. While some have argued that theoretical conditions like these rule out the existence of rational bubbles, others disagree. LeRoy (2004, p. 801) remarks, "It is a testament to economists' capacity for abstraction that they have accepted without question that an intricate theoretical argument against [rational] bubbles has somehow migrated from the pages of *Econometrica* [a top academic journal] to the floor of the New York Stock Exchange."

Near-rational bubbles

Rational bubble models assume that investors always know the size of the bubble—to the point of constructing separate forecasts for the fundamental and bubble components of the stock price. Real world investors may be inclined to construct only a single forecast that attempts to predict the movement of the total stock price (fundamental plus bubble). Adopting this setup, Lansing (2007) develops a "near-rational" bubble model in which investors fit a simple extrapolative forecast rule to observable stock market data. The resulting price-dividend ratio exhibits pronounced upward and downward swings, giving rise to excess volatility, but the ratio always returns to the vicinity of a long-run average, unlike a rational bubble. Also unlike its rational counterpart, the near-rational bubble can occasionally become negative, causing the stock price to dip below its fundamental value.

Figure 3 plots simulations of the price-dividend ratio for the rational and near-rational bubble models, together with the results of a purely fundamentals-based model. Empirical studies find evidence that U.S. stock prices drift upwards into bubble territory during bull markets, but these persistent departures from fundamentals are eventually eliminated via downward adjustments

Figure 3
Simulations from asset pricing models



during bear markets. The near-rational model captures these and other features of the data, as detailed further in Lansing (2007).

Conclusion

Theories involving departures from rational behavior have long played a role in efforts to account for movements in stock prices. Keynes (1936, p. 156) likened the stock market to a "beauty contest" where participants devoted their efforts not to judging the underlying concept of beauty, but instead to "anticipating what average opinion expects the average opinion to be." Keynes readily acknowledged the concept of irrational, herd-like behavior among investors in stating: "There is no clear evidence from experience that the investment policy which is socially advantageous coincides with that which is most profitable" (p. 157). He cautioned that it may be "scarcely practicable" to employ a rational, long-term investment strategy in a market dominated by short-term "game-players." More recently, Federal Reserve Chairman Alan Greenspan (1999) warned that "an unwarranted, perhaps euphoric, extension of recent developments can drive equity prices to levels that are unsupportable.... Such straying above fundamentals could create problems for our economy when the inevitable adjustment occurs." Incorporating the flavor of these ideas into quantitative economic models is a promising area of ongoing research.

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IDAHO ECONOMIC FORECAST

January 2008

FORECAST DETAIL

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Reporting Conventions

Units of measurement are presented in the individual reports.

The percentage change numbers given in the annual reports are simple period-to-period percent changes. Since the periods are years, they are thus simple annual changes. The percentage changes given in the quarterly report are period-to-period changes at compound annual rates, following standard practice. A large change in a given quarter can seem to be exaggerated since the calculation assumes the change is compounded over an entire year.

Data Sources

National forecast data is provided by Global Insight, as well as the Food and Agricultural Policy Research Institute (FAPRI). Historical data for the models are obtained from the following agencies: Bureau of the Census (demographic), Bureau of Economic Analysis (income), Bureau of Labor Statistics (employment), Federal Reserve Board of Governors (production), and U.S. Department of Agriculture (farm).

Idaho historical data is obtained from the Department of Commerce and Labor (employment and hourly earnings), Bureau of Vital Statistics (births and deaths), Division of Financial Management (migration), and the Bureau of Economic Analysis (income).

The Idaho average annual wage is calculated by the Division of Financial Management from Bureau of Economic Analysis and Idaho Department of Commerce and Labor data. Because of the different methodology used and data available, this figure may not match those published by other sources.

IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
JANUARY 2008

DEMOGRAPHICS

	1994	1995	1996	1997	1998	1999	2000	2001	2002
POPULATION									
Idaho (Thousands)	1,144.9	1,177.0	1,203.2	1,228.4	1,252.3	1,275.7	1,299.1	1,320.7	1,342.0
% Ch	3.3%	2.8%	2.2%	2.1%	1.9%	1.9%	1.8%	1.7%	1.6%
National (Millions)	263.853	266.980	270.115	273.368	276.553	279.731	282.841	285.866	288.811
% Ch	1.2%	1.2%	1.2%	1.2%	1.2%	1.1%	1.1%	1.1%	1.0%
BIRTHS									
Idaho (Thousands)	17.690	17.915	18.482	18.599	19.188	19.897	20.304	20.684	21.002
% Ch	0.7%	1.3%	3.2%	0.6%	3.2%	3.7%	2.0%	1.9%	1.5%
National (Thousands)	4,010	3,951	3,971	3,964	4,038	4,028	4,070	4,062	4,092
% Ch	-0.7%	-1.5%	0.5%	-0.2%	1.9%	-0.2%	1.0%	-0.2%	0.7%
DEATHS									
Idaho (Thousands)	8.478	8.553	8.679	8.953	9.105	9.488	9.538	9.811	9.935
% Ch	2.4%	0.9%	1.5%	3.2%	1.7%	4.2%	0.5%	2.9%	1.3%
National (Thousands)	2,322	2,349	2,350	2,351	2,406	2,406	2,410	2,476	2,469
% Ch	1.2%	1.2%	0.0%	0.0%	2.3%	0.0%	0.2%	2.7%	-0.3%
NET MIGRATION									
Idaho (Thousands)	27.115	22.652	16.417	15.583	13.836	12.975	12.658	10.645	10.247
HOUSING									
HOUSING STARTS									
Idaho	12,869	9,471	9,283	8,888	10,155	10,363	11,501	12,207	13,226
% Ch	11.0%	-26.4%	-2.0%	-4.3%	14.3%	2.0%	11.0%	6.1%	8.3%
National (Millions)	1.446	1.361	1.469	1.475	1.621	1.647	1.573	1.601	1.710
% Ch	12.0%	-5.9%	7.9%	0.4%	9.9%	1.6%	-4.5%	1.8%	6.8%
SINGLE UNITS									
Idaho	9,424	7,296	7,844	7,652	9,040	9,191	10,338	10,378	11,139
% Ch	5.3%	-22.6%	7.5%	-2.4%	18.1%	1.7%	12.5%	0.4%	7.3%
National (Millions)	1.191	1.082	1.154	1.136	1.278	1.306	1.232	1.272	1.363
% Ch	5.4%	-9.2%	6.7%	-1.6%	12.4%	2.2%	-5.7%	3.2%	7.2%
MULTIPLE UNITS									
Idaho	3,446	2,176	1,440	1,236	1,115	1,172	1,163	1,829	2,087
% Ch	30.1%	-36.9%	-33.8%	-14.2%	-9.8%	5.1%	-0.8%	57.3%	14.1%
National (Millions)	0.255	0.279	0.314	0.338	0.344	0.341	0.341	0.330	0.347
% Ch	58.3%	9.4%	12.7%	7.6%	1.6%	-0.7%	0.1%	-3.5%	5.3%
HOUSING STOCK									
Idaho (Thousands)	369.2	378.3	386.8	394.3	402.9	411.9	421.8	432.7	443.6
% Ch	3.3%	2.5%	2.2%	1.9%	2.2%	2.2%	2.4%	2.6%	2.5%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
JANUARY 2008**

DEMOGRAPHICS

	2003	2004	2005	2006	2007	2008	2009	2010	2011
POPULATION									
Idaho (Thousands)	1,365.5	1,391.0	1,428.0	1,465.7	1,501.8	1,535.5	1,564.0	1,594.8	1,627.3
% Ch	1.8%	1.9%	2.7%	2.6%	2.5%	2.2%	1.9%	2.0%	2.0%
National (Millions)	291.661	294.457	297.337	300.127	302.833	305.516	308.189	310.852	313.520
% Ch	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
BIRTHS									
Idaho (Thousands)	21.735	22.526	23.069	24.127	25.081	25.939	26.593	27.337	28.148
% Ch	3.5%	3.6%	2.4%	4.6%	4.0%	3.4%	2.5%	2.8%	3.0%
National (Thousands)	4,124	4,161	4,204	4,244	4,288	4,332	4,376	4,420	4,455
% Ch	0.8%	0.9%	1.0%	0.9%	1.0%	1.0%	1.0%	1.0%	0.8%
DEATHS									
Idaho (Thousands)	10.308	10.020	10.413	10.867	11.111	11.341	11.541	11.754	11.977
% Ch	3.8%	-2.8%	3.9%	4.4%	2.2%	2.1%	1.8%	1.8%	1.9%
National (Thousands)	2,462	2,456	2,453	2,479	2,501	2,527	2,552	2,577	2,599
% Ch	-0.3%	-0.2%	-0.1%	1.1%	0.9%	1.0%	1.0%	1.0%	0.9%
NET MIGRATION									
Idaho (Thousands)	12.077	13.013	24.319	24.513	22.111	19.082	13.479	15.237	16.309
HOUSING									
HOUSING STARTS									
Idaho	16,381	18,638	23,312	19,410	15,110	15,991	16,239	16,753	18,296
% Ch	23.9%	13.8%	25.1%	-16.7%	-22.2%	5.8%	1.5%	3.2%	9.2%
National (Millions)	1.854	1.950	2.073	1.812	1.346	1.035	1.312	1.540	1.717
% Ch	8.4%	5.2%	6.3%	-12.6%	-25.7%	-23.1%	26.8%	17.4%	11.5%
SINGLE UNITS									
Idaho	13,851	16,129	20,852	17,408	12,737	13,591	14,038	15,127	16,745
% Ch	24.3%	16.4%	29.3%	-16.5%	-26.8%	6.7%	3.3%	7.8%	10.7%
National (Millions)	1.505	1.604	1.719	1.474	1.042	0.766	1.010	1.240	1.400
% Ch	10.4%	6.6%	7.1%	-14.2%	-29.3%	-26.6%	32.0%	22.8%	12.9%
MULTIPLE UNITS									
Idaho	2,531	2,510	2,460	2,002	2,373	2,400	2,201	1,626	1,551
% Ch	21.3%	-0.8%	-2.0%	-18.6%	18.5%	1.2%	-8.3%	-26.1%	-4.6%
National (Millions)	0.349	0.345	0.354	0.338	0.304	0.270	0.302	0.300	0.317
% Ch	0.5%	-1.0%	2.6%	-4.7%	-10.1%	-11.2%	12.0%	-0.8%	5.9%
HOUSING STOCK									
Idaho (Thousands)	457.6	473.7	494.3	514.5	529.2	542.8	557.5	572.2	588.2
% Ch	3.2%	3.5%	4.3%	4.1%	2.8%	2.6%	2.7%	2.6%	2.8%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
JANUARY 2008**

OUTPUT, INCOME, & WAGES

	1994	1995	1996	1997	1998	1999	2000	2001	2002
U.S. GROSS DOM. PRODUCT (Billions)									
Current Dollars	7,072	7,398	7,817	8,304	8,747	9,268	9,817	10,128	10,470
% Ch	6.2%	4.6%	5.7%	6.2%	5.3%	6.0%	5.9%	3.2%	3.4%
2000 Chain-Weighted	7,835	8,032	8,329	8,704	9,067	9,470	9,817	9,891	10,049
% Ch	4.0%	2.5%	3.7%	4.5%	4.2%	4.4%	3.7%	0.8%	1.6%
PERSONAL INCOME - CURR \$									
Idaho (Millions)	21,422	22,871	24,360	25,367	27,287	29,068	31,290	33,054	33,849
% Ch	6.7%	6.8%	6.5%	4.1%	7.6%	6.5%	7.6%	5.6%	2.4%
Idaho Nonfarm (Millions)	20,685	22,057	23,433	24,611	26,350	28,054	30,448	32,039	32,921
% Ch	8.8%	6.6%	6.2%	5.0%	7.1%	6.5%	8.5%	5.2%	2.8%
National (Billions)	5,843	6,152	6,521	6,915	7,423	7,802	8,430	8,724	8,882
% Ch	5.1%	5.3%	6.0%	6.1%	7.3%	5.1%	8.0%	3.5%	1.8%
PERSONAL INCOME - 2000 \$									
Idaho (Millions)	23,892	24,973	26,040	26,666	28,429	29,788	31,289	32,376	32,690
% Ch	4.5%	4.5%	4.3%	2.4%	6.6%	4.8%	5.0%	3.5%	1.0%
Idaho Nonfarm (Millions)	23,068	24,085	25,048	25,871	27,452	28,748	30,447	31,382	31,795
% Ch	6.6%	4.4%	4.0%	3.3%	6.1%	4.7%	5.9%	3.1%	1.3%
National (Billions)	6,516	6,718	6,970	7,269	7,734	7,996	8,429	8,545	8,578
% Ch	2.9%	3.1%	3.8%	4.3%	6.4%	3.4%	5.4%	1.4%	0.4%
PER CAPITA PERS INC - CURR \$									
Idaho	18,708	19,431	20,246	20,649	21,788	22,784	24,084	25,029	25,222
% Ch	3.3%	3.9%	4.2%	2.0%	5.5%	4.6%	5.7%	3.9%	0.8%
National	22,142	23,043	24,139	25,295	26,840	27,891	29,803	30,518	30,753
% Ch	3.8%	4.1%	4.8%	4.8%	6.1%	3.9%	6.9%	2.4%	0.8%
PER CAPITA PERS INC - 2000 \$									
Idaho	20,866	21,218	21,642	21,707	22,700	23,349	24,084	24,515	24,360
% Ch	1.2%	1.7%	2.0%	0.3%	4.6%	2.9%	3.1%	1.8%	-0.6%
National	24,695	25,163	25,803	26,591	27,964	28,584	29,802	29,893	29,702
% Ch	1.7%	1.9%	2.5%	3.1%	5.2%	2.2%	4.3%	0.3%	-0.6%
AVERAGE ANNUAL WAGE									
Idaho	22,728	23,594	24,147	24,803	25,822	26,992	28,657	28,736	29,209
% Ch	3.1%	3.8%	2.3%	2.7%	4.1%	4.5%	6.2%	0.3%	1.6%
National	28,279	29,148	30,237	31,582	33,219	34,622	36,642	37,494	38,213
% Ch	1.7%	3.1%	3.7%	4.5%	5.2%	4.2%	5.8%	2.3%	1.9%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
JANUARY 2008

OUTPUT, INCOME, & WAGES

	2003	2004	2005	2006	2007	2008	2009	2010	2011
U.S. GROSS DOM. PRODUCT (Billions)									
Current Dollars	10,961	11,686	12,434	13,195	13,827	14,315	14,966	15,691	16,468
% Ch	4.7%	6.6%	6.4%	6.1%	4.8%	3.5%	4.5%	4.8%	5.0%
2000 Chain-Weighted	10,301	10,676	11,004	11,319	11,563	11,779	12,118	12,469	12,832
% Ch	2.5%	3.6%	3.1%	2.9%	2.2%	1.9%	2.9%	2.9%	2.9%
PERSONAL INCOME - CURR \$									
Idaho (Millions)	34,816	38,123	40,414	43,917	47,294	49,986	52,894	56,164	59,874
% Ch	2.9%	9.5%	6.0%	8.7%	7.7%	5.7%	5.8%	6.2%	6.6%
Idaho Nonfarm (Millions)	34,099	37,136	39,539	43,266	46,330	48,963	51,840	55,082	58,759
% Ch	3.6%	8.9%	6.5%	9.4%	7.1%	5.7%	5.9%	6.3%	6.7%
National (Billions)	9,164	9,727	10,301	10,983	11,662	12,204	12,797	13,458	14,163
% Ch	3.2%	6.2%	5.9%	6.6%	6.2%	4.6%	4.9%	5.2%	5.2%
PERSONAL INCOME - 2000 \$									
Idaho (Millions)	32,970	35,167	36,214	38,295	40,234	41,717	43,423	45,286	47,424
% Ch	0.9%	6.7%	3.0%	5.7%	5.1%	3.7%	4.1%	4.3%	4.7%
Idaho Nonfarm (Millions)	32,290	34,256	35,429	37,727	39,414	40,863	42,558	44,414	46,541
% Ch	1.6%	6.1%	3.4%	6.5%	4.5%	3.7%	4.1%	4.4%	4.8%
National (Billions)	8,678	8,973	9,231	9,578	9,922	10,185	10,506	10,852	11,219
% Ch	1.2%	3.4%	2.9%	3.8%	3.6%	2.7%	3.2%	3.3%	3.4%
PER CAPITA PERS INC - CURR \$									
Idaho	25,497	27,404	28,299	29,960	31,489	32,552	33,817	35,213	36,790
% Ch	1.1%	7.5%	3.3%	5.9%	5.1%	3.4%	3.9%	4.1%	4.5%
National	31,418	33,033	34,643	36,595	38,509	39,943	41,523	43,294	45,174
% Ch	2.2%	5.1%	4.9%	5.6%	5.2%	3.7%	4.0%	4.3%	4.3%
PER CAPITA PERS INC - 2000 \$									
Idaho	24,145	25,281	25,360	26,125	26,790	27,168	27,763	28,394	29,141
% Ch	-0.9%	4.7%	0.3%	3.0%	2.5%	1.4%	2.2%	2.3%	2.6%
National	29,752	30,473	31,044	31,911	32,763	33,336	34,089	34,910	35,782
% Ch	0.2%	2.4%	1.9%	2.8%	2.7%	1.8%	2.3%	2.4%	2.5%
AVERAGE ANNUAL WAGE									
Idaho	29,769	30,968	31,938	33,770	35,275	36,648	38,107	39,619	41,244
% Ch	1.9%	4.0%	3.1%	5.7%	4.5%	3.9%	4.0%	4.0%	4.1%
National	39,331	41,044	42,391	44,193	46,113	47,570	49,213	50,965	52,800
% Ch	2.9%	4.4%	3.3%	4.3%	4.3%	3.2%	3.5%	3.6%	3.6%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
JANUARY 2008**

PERSONAL INCOME--CURRENT \$\$

	1994	1995	1996	1997	1998	1999	2000	2001	2002
WAGE AND SALARY PAYMENTS									
Idaho (Millions)	10,896	11,701	12,284	13,078	13,936	15,024	16,552	16,880	17,256
% Ch	9.2%	7.4%	5.0%	6.5%	6.6%	7.8%	10.2%	2.0%	2.2%
National (Billions)	3,232	3,419	3,620	3,878	4,183	4,466	4,829	4,943	4,981
% Ch	4.8%	5.8%	5.9%	7.1%	7.9%	6.8%	8.1%	2.4%	0.8%
FARM PROPRIETORS INCOME									
Idaho (Millions)	453	515	643	425	607	690	471	646	497
% Ch	-45.8%	13.6%	25.0%	-33.9%	42.8%	13.7%	-31.8%	37.1%	-23.0%
National (Billions)	34	23	37	34	29	29	23	20	11
% Ch	8.7%	-33.2%	64.5%	-8.3%	-14.1%	-2.6%	-20.7%	-13.1%	-46.3%
NONFARM PROPRIETORS INCOME									
Idaho (Millions)	2,312	2,229	2,324	2,313	2,480	2,765	2,883	3,312	3,290
% Ch	10.8%	-3.6%	4.2%	-0.5%	7.2%	11.5%	4.3%	14.9%	-0.6%
National (Billions)	439	469	506	542	598	650	706	752	758
% Ch	4.0%	6.8%	7.8%	7.1%	10.4%	8.6%	8.6%	6.6%	0.7%
DIVIDENDS, RENT & INTEREST									
Idaho (Millions)	3,957	4,350	4,718	5,068	5,545	5,546	5,909	6,195	6,051
% Ch	10.9%	9.9%	8.5%	7.4%	9.4%	0.0%	6.5%	4.8%	-2.3%
National (Billions)	1,070	1,139	1,221	1,310	1,421	1,412	1,537	1,547	1,486
% Ch	7.3%	6.4%	7.2%	7.3%	8.4%	-0.6%	8.9%	0.7%	-4.0%
OTHER LABOR INCOME									
Idaho (Millions)	2,729	2,846	2,881	2,929	3,063	3,243	3,549	3,647	4,041
% Ch	8.5%	4.3%	1.2%	1.7%	4.6%	5.9%	9.4%	2.8%	10.8%
National (Billions)	493	494	492	498	530	562	610	643	745
% Ch	4.4%	0.1%	-0.2%	1.0%	6.5%	6.2%	8.5%	5.4%	15.9%
GOVT. TRANSFERS TO INDIV.									
Idaho (Millions)	2,789	3,023	3,319	3,408	3,557	3,776	4,079	4,568	4,971
% Ch	5.5%	8.4%	9.8%	2.7%	4.4%	6.1%	8.0%	12.0%	8.8%
National (Billions)	827	877	925	951	979	1,022	1,084	1,194	1,286
% Ch	4.7%	6.1%	5.4%	2.8%	2.9%	4.4%	6.1%	10.1%	7.7%
CONTRIB. FOR SOCIAL INSUR.									
Idaho (Millions)	1,951	2,074	2,134	2,223	2,337	2,480	2,676	2,724	2,802
% Ch	10.5%	6.3%	2.9%	4.2%	5.1%	6.1%	7.9%	1.8%	2.9%
National (Billions)	254	264	275	290	307	323	344	357	365
% Ch	6.0%	3.9%	4.1%	5.3%	6.0%	5.3%	6.2%	3.8%	2.4%
RESIDENCE ADJUSTMENT									
Idaho (Millions)	238	281	326	369	437	504	525	531	544
% Ch	13.3%	18.3%	15.9%	13.2%	18.3%	15.4%	4.1%	1.1%	2.5%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
JANUARY 2008**

PERSONAL INCOME--CURRENT \$\$

	2003	2004	2005	2006	2007	2008	2009	2010	2011
WAGE AND SALARY PAYMENTS									
Idaho (Millions)	17,690	18,904	20,298	22,366	24,037	25,392	26,911	28,601	30,560
% Ch	2.5%	6.9%	7.4%	10.2%	7.5%	5.6%	6.0%	6.3%	6.8%
National (Billions)	5,113	5,395	5,668	6,018	6,363	6,620	6,933	7,272	7,632
% Ch	2.6%	5.5%	5.1%	6.2%	5.7%	4.0%	4.7%	4.9%	5.0%
FARM PROPRIETORS INCOME									
Idaho (Millions)	337	585	412	154	440	474	503	525	551
% Ch	-32.2%	73.5%	-29.6%	-62.7%	186.1%	7.8%	6.1%	4.4%	4.9%
National (Billions)	29	37	31	19	35	35	24	24	27
% Ch	176.4%	27.8%	-17.5%	-37.2%	81.0%	-1.3%	-30.4%	-0.2%	12.5%
NONFARM PROPRIETORS INCOME									
Idaho (Millions)	3,389	3,848	4,192	4,457	4,549	4,725	5,065	5,351	5,680
% Ch	3.0%	13.5%	8.9%	6.3%	2.1%	3.9%	7.2%	5.7%	6.1%
National (Billions)	782	874	939	987	1,004	1,041	1,113	1,173	1,243
% Ch	3.2%	11.8%	7.4%	5.1%	1.7%	3.6%	6.9%	5.4%	5.9%
DIVIDENDS, RENT & INTEREST									
Idaho (Millions)	6,227	7,057	7,194	7,915	8,585	9,248	9,797	10,541	11,305
% Ch	2.9%	13.3%	1.9%	10.0%	8.5%	7.7%	5.9%	7.6%	7.2%
National (Billions)	1,470	1,551	1,661	1,851	2,011	2,143	2,248	2,394	2,536
% Ch	-1.1%	5.5%	7.1%	11.5%	8.7%	6.6%	4.9%	6.5%	5.9%
OTHER LABOR INCOME									
Idaho (Millions)	4,259	4,582	4,976	5,451	5,808	6,069	6,318	6,652	7,081
% Ch	5.4%	7.6%	8.6%	9.5%	6.6%	4.5%	4.1%	5.3%	6.4%
National (Billions)	816	869	928	971	1,017	1,054	1,093	1,142	1,200
% Ch	9.5%	6.5%	6.8%	4.6%	4.8%	3.6%	3.7%	4.6%	5.1%
GOVT. TRANSFERS TO INDIV.									
Idaho (Millions)	5,254	5,632	6,054	6,598	7,117	7,496	7,951	8,397	8,899
% Ch	5.7%	7.2%	7.5%	9.0%	7.9%	5.3%	6.1%	5.6%	6.0%
National (Billions)	1,351	1,423	1,521	1,612	1,734	1,833	1,934	2,029	2,134
% Ch	5.0%	5.3%	6.9%	6.0%	7.5%	5.7%	5.5%	4.9%	5.2%
CONTRIB. FOR SOCIAL INSUR.									
Idaho (Millions)	2,909	3,100	3,372	3,733	4,006	4,214	4,465	4,739	5,068
% Ch	3.8%	6.6%	8.8%	10.7%	7.3%	5.2%	5.9%	6.1%	6.9%
National (Billions)	382	408	429	452	475	492	515	540	567
% Ch	4.6%	6.9%	5.1%	5.3%	5.1%	3.6%	4.7%	4.7%	5.0%
RESIDENCE ADJUSTMENT									
Idaho (Millions)	570	617	661	710	764	796	815	835	866
% Ch	4.9%	8.2%	7.2%	7.5%	7.6%	4.2%	2.4%	2.5%	3.6%

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EMPLOYMENT

	1994	1995	1996	1997	1998	1999	2000	2001	2002
TOTAL NONFARM EMPLOYMENT									
Idaho	460,209	477,044	490,901	507,424	520,478	538,101	558,582	568,035	568,046
% Ch	5.9%	3.7%	2.9%	3.4%	2.6%	3.4%	3.8%	1.7%	0.0%
National (Thousands)	114,282	117,306	119,699	122,767	125,924	128,992	131,792	131,832	130,347
% Ch	3.1%	2.6%	2.0%	2.6%	2.6%	2.4%	2.2%	0.0%	-1.1%
GOODS PRODUCING SECTOR									
Idaho	97,411	98,309	102,402	105,506	106,975	108,722	111,884	110,226	105,031
% Ch	7.8%	0.9%	4.2%	3.0%	1.4%	1.6%	2.9%	-1.5%	-4.7%
National (Thousands)	22,777	23,161	23,412	23,884	24,352	24,467	24,653	23,874	22,555
% Ch	2.5%	1.7%	1.1%	2.0%	2.0%	0.5%	0.8%	-3.2%	-5.5%
MANUFACTURING									
Idaho	65,717	65,639	68,313	70,185	71,528	71,213	73,032	70,393	66,804
% Ch	4.1%	-0.1%	4.1%	2.7%	1.9%	-0.4%	2.6%	-3.6%	-5.1%
National (Thousands)	17,106	17,327	17,317	17,500	17,640	17,404	17,345	16,515	15,328
% Ch	1.5%	1.3%	-0.1%	1.1%	0.8%	-1.3%	-0.3%	-4.8%	-7.2%
DURABLE MANUFACTURING									
Idaho	37,821	39,957	42,447	44,215	45,892	45,698	47,407	45,099	42,320
% Ch	8.7%	5.6%	6.2%	4.2%	3.8%	-0.4%	3.7%	-4.9%	-6.2%
National (Thousands)	10,214	10,456	10,565	10,785	10,990	10,912	10,956	10,408	9,553
% Ch	2.3%	2.4%	1.0%	2.1%	1.9%	-0.7%	0.4%	-5.0%	-8.2%
LOGGING & WOOD PRODUCTS									
Idaho	11,774	11,864	12,024	11,898	11,463	11,480	11,567	9,849	9,553
% Ch	9.1%	0.8%	1.3%	-1.0%	-3.6%	0.1%	0.8%	-14.9%	-3.0%
National (Thousands)	643	656	663	677	689	701	692	647	625
% Ch	6.2%	2.0%	1.1%	2.1%	1.7%	1.8%	-1.3%	-6.5%	-3.3%
METAL FABRICATION									
Idaho	2,958	3,410	3,582	3,793	3,826	3,942	4,030	3,876	3,636
% Ch	14.8%	15.3%	5.0%	5.9%	0.9%	3.0%	2.2%	-3.8%	-6.2%
National (Thousands)	1,566	1,624	1,648	1,696	1,739	1,728	1,753	1,677	1,549
% Ch	3.7%	3.7%	1.5%	2.9%	2.6%	-0.6%	1.4%	-4.4%	-7.6%
MACHINERY									
Idaho	2,901	3,078	3,189	3,065	3,178	3,039	3,305	3,055	2,832
% Ch	11.0%	6.1%	3.6%	-3.9%	3.7%	-4.4%	8.7%	-7.5%	-7.3%
National (Thousands)	1,379	1,440	1,466	1,494	1,512	1,466	1,455	1,368	1,229
% Ch	3.8%	4.4%	1.8%	1.9%	1.3%	-3.1%	-0.8%	-6.0%	-10.2%
COMPUTER & ELECTRONICS									
Idaho	13,646	14,324	16,280	17,727	19,055	18,406	19,454	19,656	17,933
% Ch	3.6%	5.0%	13.7%	8.9%	7.5%	-3.4%	5.7%	1.0%	-8.8%
National (Thousands)	1,651	1,688	1,747	1,803	1,831	1,781	1,820	1,749	1,507
% Ch	-0.3%	2.3%	3.4%	3.2%	1.5%	-2.7%	2.2%	-3.9%	-13.8%
OTHER DURABLES									
Idaho	6,542	7,280	7,373	7,732	8,370	8,831	9,050	8,663	8,367
% Ch	16.2%	11.3%	1.3%	4.9%	8.3%	5.5%	2.5%	-4.3%	-3.4%
National (Thousands)	4,975	5,047	5,041	5,115	5,218	5,235	5,236	4,967	4,643
% Ch	1.9%	1.4%	-0.1%	1.5%	2.0%	0.3%	0.0%	-5.1%	-6.5%

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EMPLOYMENT

	2003	2004	2005	2006	2007	2008	2009	2010	2011
TOTAL NONFARM EMPLOYMENT									
Idaho	572,550	588,067	611,720	638,902	657,721	668,407	682,257	698,550	718,073
% Ch	0.8%	2.7%	4.0%	4.4%	2.9%	1.6%	2.1%	2.4%	2.8%
National (Thousands)	129,990	131,423	133,696	136,175	137,994	139,152	140,872	142,675	144,536
% Ch	-0.3%	1.1%	1.7%	1.9%	1.3%	0.8%	1.2%	1.3%	1.3%
GOODS PRODUCING SECTOR									
Idaho	102,387	105,459	112,354	122,313	123,819	119,447	118,168	118,865	121,142
% Ch	-2.5%	3.0%	6.5%	8.9%	1.2%	-3.5%	-1.1%	0.6%	1.9%
National (Thousands)	21,811	21,882	22,192	22,576	22,393	21,873	21,603	21,757	22,108
% Ch	-3.3%	0.3%	1.4%	1.7%	-0.8%	-2.3%	-1.2%	0.7%	1.6%
MANUFACTURING									
Idaho	63,862	63,681	65,042	67,849	67,979	65,367	64,675	66,719	69,026
% Ch	-4.4%	-0.3%	2.1%	4.3%	0.2%	-3.8%	-1.1%	3.2%	3.5%
National (Thousands)	14,575	14,384	14,294	14,267	14,093	13,782	13,577	13,631	13,744
% Ch	-4.9%	-1.3%	-0.6%	-0.2%	-1.2%	-2.2%	-1.5%	0.4%	0.8%
DURABLE MANUFACTURING									
Idaho	39,950	40,549	42,112	44,612	44,266	41,666	40,780	42,565	44,630
% Ch	-5.6%	1.5%	3.9%	5.9%	-0.8%	-5.9%	-2.1%	4.4%	4.9%
National (Thousands)	9,030	8,992	9,021	9,069	8,953	8,738	8,596	8,691	8,810
% Ch	-5.5%	-0.4%	0.3%	0.5%	-1.3%	-2.4%	-1.6%	1.1%	1.4%
LOGGING & WOOD PRODUCTS									
Idaho	9,047	9,295	9,619	10,035	9,537	8,579	8,374	9,146	10,080
% Ch	-5.3%	2.7%	3.5%	4.3%	-5.0%	-10.0%	-2.4%	9.2%	10.2%
National (Thousands)	607	617	625	626	590	531	513	552	597
% Ch	-3.0%	1.8%	1.2%	0.2%	-5.8%	-10.0%	-3.3%	7.5%	8.2%
METAL FABRICATION									
Idaho	3,537	3,636	3,906	4,377	4,667	4,644	4,667	4,769	4,891
% Ch	-2.7%	2.8%	7.4%	12.1%	6.6%	-0.5%	0.5%	2.2%	2.6%
National (Thousands)	1,479	1,497	1,522	1,554	1,568	1,574	1,547	1,549	1,567
% Ch	-4.5%	1.2%	1.7%	2.1%	0.9%	0.4%	-1.7%	0.1%	1.2%
MACHINERY									
Idaho	2,633	2,570	2,606	2,865	2,951	2,913	2,829	2,829	2,854
% Ch	-7.0%	-2.4%	1.4%	9.9%	3.0%	-1.3%	-2.9%	0.0%	0.9%
National (Thousands)	1,149	1,143	1,163	1,192	1,221	1,213	1,203	1,197	1,210
% Ch	-6.5%	-0.5%	1.7%	2.5%	2.5%	-0.7%	-0.8%	-0.5%	1.0%
COMPUTER & ELECTRONICS									
Idaho	16,298	16,286	16,183	16,665	16,411	15,350	14,424	14,746	15,075
% Ch	-9.1%	-0.1%	-0.6%	3.0%	-1.5%	-6.5%	-6.0%	2.2%	2.2%
National (Thousands)	1,355	1,323	1,316	1,316	1,304	1,270	1,217	1,219	1,170
% Ch	-10.1%	-2.4%	-0.5%	0.0%	-1.0%	-2.5%	-4.2%	0.2%	-4.1%
OTHER DURABLES									
Idaho	8,436	8,762	9,799	10,669	10,700	10,181	10,486	11,076	11,730
% Ch	0.8%	3.9%	11.8%	8.9%	0.3%	-4.8%	3.0%	5.6%	5.9%
National (Thousands)	4,440	4,412	4,395	4,380	4,270	4,151	4,115	4,174	4,267
% Ch	-4.4%	-0.6%	-0.4%	-0.3%	-2.5%	-2.8%	-0.8%	1.4%	2.2%

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EMPLOYMENT

MANUFACTURING (continued)	1994	1995	1996	1997	1998	1999	2000	2001	2002
NONDURABLE MANUFACTURING									
Idaho	27,897	25,682	25,866	25,970	25,636	25,515	25,625	25,294	24,484
% Ch	-1.6%	-7.9%	0.7%	0.4%	-1.3%	-0.5%	0.4%	-1.3%	-3.2%
National (Thousands)	6,892	6,871	6,752	6,715	6,650	6,493	6,388	6,107	5,774
% Ch	0.3%	-0.3%	-1.7%	-0.6%	-1.0%	-2.4%	-1.6%	-4.4%	-5.4%
FOOD PROCESSING									
Idaho	17,369	16,827	17,119	17,263	16,830	16,705	16,660	16,521	16,354
% Ch	-2.7%	-3.1%	1.7%	0.8%	-2.5%	-0.7%	-0.3%	-0.8%	-1.0%
National (Thousands)	1,540	1,561	1,562	1,557	1,555	1,550	1,553	1,550	1,525
% Ch	0.3%	1.3%	0.1%	-0.3%	-0.1%	-0.3%	0.2%	-0.2%	-1.6%
PRINTING									
Idaho	2,241	2,308	2,365	2,326	2,307	2,234	2,339	2,225	2,033
% Ch	0.4%	3.0%	2.5%	-1.6%	-0.8%	-3.2%	4.7%	-4.9%	-8.6%
National (Thousands)	802	817	816	821	828	814	807	769	707
% Ch	2.2%	1.9%	-0.2%	0.6%	0.8%	-1.6%	-0.9%	-4.7%	-8.1%
CHEMICALS									
Idaho	4,099	2,354	2,330	2,273	2,361	2,314	2,336	2,324	1,926
% Ch	-2.6%	-42.6%	-1.0%	-2.5%	3.9%	-2.0%	1.0%	-0.5%	-17.1%
National (Thousands)	1,005	988	985	987	993	983	980	959	927
% Ch	-2.0%	-1.7%	-0.3%	0.2%	0.6%	-1.0%	-0.2%	-2.2%	-3.3%
OTHER NONDURABLES									
Idaho	4,187	4,193	4,051	4,108	4,138	4,262	4,290	4,224	4,172
% Ch	3.4%	0.1%	-3.4%	1.4%	0.7%	3.0%	0.7%	-1.5%	-1.2%
National (Thousands)	3,545	3,505	3,390	3,350	3,274	3,145	3,048	2,829	2,615
% Ch	0.5%	-1.1%	-3.3%	-1.2%	-2.3%	-3.9%	-3.1%	-7.2%	-7.6%
MINING									
Idaho	2,367	2,683	2,977	2,996	2,817	2,485	2,347	1,973	1,758
% Ch	9.4%	13.3%	11.0%	0.6%	-6.0%	-11.8%	-5.5%	-15.9%	-10.9%
National (Thousands)	576	558	556	571	565	518	520	532	512
% Ch	-1.4%	-3.2%	-0.3%	2.7%	-1.1%	-8.4%	0.5%	2.4%	-3.8%
CONSTRUCTION									
Idaho	29,326	29,988	31,112	32,324	32,629	35,025	36,505	37,861	36,468
% Ch	17.0%	2.3%	3.7%	3.9%	0.9%	7.3%	4.2%	3.7%	-3.7%
National (Thousands)	5,094	5,276	5,538	5,813	6,147	6,545	6,788	6,827	6,715
% Ch	6.6%	3.6%	5.0%	5.0%	5.8%	6.5%	3.7%	0.6%	-1.6%
NONGOODS PRODUCING									
Idaho	362,798	378,735	388,499	401,918	413,504	429,378	446,698	457,809	463,015
% Ch	5.4%	4.4%	2.6%	3.5%	2.9%	3.8%	4.0%	2.5%	1.1%
National (Thousands)	91,505	94,145	96,287	98,883	101,571	104,525	107,139	107,958	107,792
% Ch	3.2%	2.9%	2.3%	2.7%	2.7%	2.9%	2.5%	0.8%	-0.2%
SERVICES									
Idaho	185,542	196,052	202,106	210,034	217,465	227,558	238,282	249,579	253,633
% Ch	6.9%	5.7%	3.1%	3.9%	3.5%	4.6%	4.7%	4.7%	1.6%
National (Thousands)	53,498	55,382	57,094	59,170	61,256	63,350	65,137	65,824	65,602
% Ch	3.8%	3.5%	3.1%	3.6%	3.5%	3.4%	2.8%	1.1%	-0.3%
INFORMATION									
Idaho	7,413	7,602	7,699	7,587	8,376	9,274	9,859	9,596	9,156
% Ch	3.0%	2.5%	1.3%	-1.5%	10.4%	10.7%	6.3%	-2.7%	-4.6%
National (Thousands)	2,739	2,844	2,940	3,084	3,219	3,418	3,629	3,629	3,394
% Ch	2.7%	3.8%	3.4%	4.9%	4.4%	6.2%	6.2%	0.0%	-6.5%
FINANCIAL ACTIVITIES									
Idaho	24,520	25,492	26,833	26,835	24,256	25,306	25,161	25,013	25,824
% Ch	5.4%	4.0%	5.3%	0.0%	-9.6%	4.3%	-0.6%	-0.6%	3.2%
National (Thousands)	6,866	6,828	6,969	7,178	7,462	7,646	7,688	7,808	7,847
% Ch	2.4%	-0.6%	2.1%	3.0%	4.0%	2.5%	0.5%	1.6%	0.5%

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EMPLOYMENT

MANUFACTURING (continued)	2003	2004	2005	2006	2007	2008	2009	2010	2011
NONDURABLE MANUFACTURING									
Idaho	23,912	23,132	22,929	23,237	23,713	23,701	23,896	24,154	24,396
% Ch	-2.3%	-3.3%	-0.9%	1.3%	2.0%	0.0%	0.8%	1.1%	1.0%
National (Thousands)	5,545	5,392	5,273	5,198	5,141	5,044	4,981	4,940	4,934
% Ch	-4.0%	-2.8%	-2.2%	-1.4%	-1.1%	-1.9%	-1.2%	-0.8%	-0.1%
FOOD PROCESSING									
Idaho	15,900	14,999	14,714	14,699	14,983	14,977	15,120	15,319	15,491
% Ch	-2.8%	-5.7%	-1.9%	-0.1%	1.9%	0.0%	0.9%	1.3%	1.1%
National (Thousands)	1,517	1,495	1,478	1,485	1,497	1,496	1,519	1,531	1,550
% Ch	-0.5%	-1.5%	-1.1%	0.4%	0.8%	0.0%	1.6%	0.8%	1.2%
PRINTING									
Idaho	2,030	1,921	1,900	1,908	1,887	1,815	1,796	1,759	1,731
% Ch	-0.1%	-5.3%	-1.1%	0.4%	-1.1%	-3.8%	-1.1%	-2.0%	-1.6%
National (Thousands)	680	663	646	636	630	619	604	594	589
% Ch	-3.7%	-2.6%	-2.4%	-1.6%	-1.0%	-1.7%	-2.3%	-1.7%	-0.8%
CHEMICALS									
Idaho	1,831	1,878	1,938	2,116	2,285	2,314	2,286	2,256	2,229
% Ch	-4.9%	2.6%	3.2%	9.2%	8.0%	1.3%	-1.2%	-1.3%	-1.2%
National (Thousands)	906	887	872	869	872	866	853	847	847
% Ch	-2.3%	-2.1%	-1.7%	-0.4%	0.4%	-0.7%	-1.5%	-0.7%	0.0%
OTHER NONDURABLES									
Idaho	4,151	4,333	4,378	4,514	4,558	4,595	4,694	4,820	4,944
% Ch	-0.5%	4.4%	1.0%	3.1%	1.0%	0.8%	2.2%	2.7%	2.6%
National (Thousands)	2,442	2,348	2,276	2,209	2,142	2,063	2,004	1,968	1,948
% Ch	-6.6%	-3.9%	-3.0%	-3.0%	-3.0%	-3.7%	-2.8%	-1.8%	-1.0%
MINING									
Idaho	1,785	1,932	2,161	2,375	2,704	2,762	2,717	2,645	2,574
% Ch	1.5%	8.2%	11.9%	9.9%	13.8%	2.2%	-1.6%	-2.7%	-2.7%
National (Thousands)	503	523	562	619	659	680	667	657	631
% Ch	-1.8%	4.0%	7.5%	10.1%	6.6%	3.2%	-1.9%	-1.6%	-3.8%
CONSTRUCTION									
Idaho	36,740	39,846	45,151	52,089	53,136	51,317	50,775	49,501	49,542
% Ch	0.7%	8.5%	13.3%	15.4%	2.0%	-3.4%	-1.1%	-2.5%	0.1%
National (Thousands)	6,734	6,976	7,336	7,690	7,640	7,410	7,359	7,470	7,733
% Ch	0.3%	3.6%	5.2%	4.8%	-0.6%	-3.0%	-0.7%	1.5%	3.5%
NONGOODS PRODUCING									
Idaho	470,163	482,608	499,366	516,589	533,903	548,960	564,090	579,685	596,931
% Ch	1.5%	2.6%	3.5%	3.4%	3.4%	2.8%	2.8%	2.8%	3.0%
National (Thousands)	108,179	109,541	111,505	113,599	115,601	117,279	119,269	120,918	122,428
% Ch	0.4%	1.3%	1.8%	1.9%	1.8%	1.5%	1.7%	1.4%	1.2%
SERVICES									
Idaho	260,022	269,020	280,748	292,726	304,588	314,543	324,821	334,724	345,958
% Ch	2.5%	3.5%	4.4%	4.3%	4.1%	3.3%	3.3%	3.0%	3.4%
National (Thousands)	66,075	67,201	68,655	70,393	71,968	73,371	74,938	76,333	77,645
% Ch	0.7%	1.7%	2.2%	2.5%	2.2%	1.9%	2.1%	1.9%	1.7%
INFORMATION									
Idaho	9,181	9,934	11,070	10,589	10,868	10,906	11,184	11,514	11,881
% Ch	0.3%	8.2%	11.4%	-4.3%	2.6%	0.4%	2.5%	3.0%	3.2%
National (Thousands)	3,189	3,117	3,060	3,054	3,088	3,117	3,104	3,109	3,097
% Ch	-6.1%	-2.3%	-1.8%	-0.2%	1.1%	0.9%	-0.4%	0.2%	-0.4%
FINANCIAL ACTIVITIES									
Idaho	26,944	27,937	29,653	31,744	32,610	33,365	34,285	35,203	36,246
% Ch	4.3%	3.7%	6.1%	7.1%	2.7%	2.3%	2.8%	2.7%	3.0%
National (Thousands)	7,976	8,031	8,153	8,363	8,451	8,473	8,639	8,803	8,924
% Ch	1.6%	0.7%	1.5%	2.6%	1.1%	0.3%	2.0%	1.9%	1.4%

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SERVICES (Continued)

	1994	1995	1996	1997	1998	1999	2000	2001	2002
TRANS., WAREHOUSING, UTILITIES									
Idaho	15,465	16,508	17,329	17,624	18,159	19,004	19,409	19,157	18,676
% Ch	6.2%	6.7%	5.0%	1.7%	3.0%	4.7%	2.1%	-1.3%	-2.5%
National (Thousands)	4,390	4,505	4,576	4,647	4,781	4,906	5,013	4,973	4,820
% Ch	2.9%	2.6%	1.6%	1.5%	2.9%	2.6%	2.2%	-0.8%	-3.1%
PROFESSIONAL & BUSINESS									
Idaho	39,173	42,480	42,934	47,295	50,766	54,794	60,626	67,656	69,020
% Ch	6.2%	8.4%	1.1%	10.2%	7.3%	7.9%	10.6%	11.6%	2.0%
National (Thousands)	12,171	12,846	13,461	14,333	15,142	15,954	16,670	16,481	15,981
% Ch	5.9%	5.6%	4.8%	6.5%	5.6%	5.4%	4.5%	-1.1%	-3.0%
EDUCATION & HEALTH									
Idaho	39,048	41,491	44,361	46,347	49,248	50,575	53,018	56,957	59,810
% Ch	6.0%	6.3%	6.9%	4.5%	6.3%	2.7%	4.8%	7.4%	5.0%
National (Thousands)	12,806	13,288	13,683	14,088	14,445	14,795	15,109	15,643	16,201
% Ch	4.1%	3.8%	3.0%	3.0%	2.5%	2.4%	2.1%	3.5%	3.6%
LEISURE & HOSPITALITY									
Idaho	44,568	46,651	47,558	48,840	50,425	51,461	52,566	53,058	53,281
% Ch	7.7%	4.7%	1.9%	2.7%	3.2%	2.1%	2.1%	0.9%	0.4%
National (Thousands)	10,098	10,499	10,774	11,016	11,232	11,544	11,860	12,032	11,986
% Ch	3.7%	4.0%	2.6%	2.3%	2.0%	2.8%	2.7%	1.5%	-0.4%
OTHER SERVICES									
Idaho	15,356	15,829	15,393	15,506	16,235	17,144	17,643	18,143	17,867
% Ch	14.4%	3.1%	-2.8%	0.7%	4.7%	5.6%	2.9%	2.8%	-1.5%
National (Thousands)	4,429	4,572	4,691	4,825	4,976	5,087	5,168	5,258	5,372
% Ch	1.8%	3.2%	2.6%	2.9%	3.1%	2.2%	1.6%	1.7%	2.2%
TRADE									
Idaho	83,336	86,215	89,134	91,683	93,772	96,725	100,169	98,088	97,343
% Ch	5.7%	3.5%	3.4%	2.9%	2.3%	3.1%	3.6%	-2.1%	-0.8%
National (Thousands)	18,733	19,328	19,663	20,053	20,405	20,863	21,212	21,013	20,680
% Ch	3.4%	3.2%	1.7%	2.0%	1.8%	2.2%	1.7%	-0.9%	-1.6%
RETAIL TRADE									
Idaho	61,034	63,162	65,408	67,175	69,160	71,419	74,456	72,622	72,396
% Ch	5.7%	3.5%	3.6%	2.7%	3.0%	3.3%	4.3%	-2.5%	-0.3%
National (Thousands)	13,486	13,895	14,141	14,390	14,610	14,971	15,279	15,240	15,027
% Ch	3.6%	3.0%	1.8%	1.8%	1.5%	2.5%	2.1%	-0.3%	-1.4%
WHOLESALE TRADE									
Idaho	22,303	23,053	23,726	24,508	24,612	25,306	25,713	25,466	24,947
% Ch	5.5%	3.4%	2.9%	3.3%	0.4%	2.8%	1.6%	-1.0%	-2.0%
National (Thousands)	5,247	5,433	5,523	5,663	5,795	5,893	5,933	5,773	5,653
% Ch	3.0%	3.5%	1.6%	2.6%	2.3%	1.7%	0.7%	-2.7%	-2.1%
STATE & LOCAL GOVERNMENT									
Idaho	80,426	83,354	84,359	87,297	89,467	92,262	94,744	96,862	98,488
% Ch	2.9%	3.6%	1.2%	3.5%	2.5%	3.1%	2.7%	2.2%	1.7%
National (Thousands)	15,674	15,931	16,258	16,488	16,653	16,854	17,139	17,542	17,925
% Ch	1.5%	1.6%	2.1%	1.4%	1.0%	1.2%	1.7%	2.4%	2.2%
EDUCATION									
Idaho	40,542	42,571	42,572	44,219	45,412	46,749	47,989	49,023	49,655
% Ch	1.8%	5.0%	0.0%	3.9%	2.7%	2.9%	2.7%	2.2%	1.3%
NONEDUCATION									
Idaho	39,884	40,783	41,787	43,078	44,055	45,513	46,756	47,839	48,832
% Ch	4.0%	2.3%	2.5%	3.1%	2.3%	3.3%	2.7%	2.3%	2.1%
FEDERAL GOVERNMENT									
Idaho	13,493	13,113	12,899	12,904	12,800	12,834	13,502	13,280	13,551
% Ch	-0.6%	-2.8%	-1.6%	0.0%	-0.8%	0.3%	5.2%	-1.6%	2.0%
National (Thousands)	3,016	2,947	2,876	2,806	2,771	2,770	2,865	2,763	2,766
% Ch	-1.5%	-2.3%	-2.4%	-2.5%	-1.2%	0.0%	3.4%	-3.6%	0.1%

National Variables Forecast by Global Insight
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IDAHO ECONOMIC FORECAST
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EMPLOYMENT

SERVICES (Continued)	2003	2004	2005	2006	2007	2008	2009	2010	2011
TRANS., WAREHOUSING, UTILITIES									
Idaho	18,764	18,946	19,294	20,242	21,073	21,281	21,288	21,331	21,523
% Ch	0.5%	1.0%	1.8%	4.9%	4.1%	1.0%	0.0%	0.2%	0.9%
National (Thousands)	4,761	4,811	4,916	5,014	5,085	5,146	5,274	5,413	5,568
% Ch	-1.2%	1.0%	2.2%	2.0%	1.4%	1.2%	2.5%	2.6%	2.9%
PROFESSIONAL & BUSINESS									
Idaho	70,009	73,148	76,914	81,364	83,439	86,635	90,493	93,968	97,799
% Ch	1.4%	4.5%	5.1%	5.8%	2.6%	3.8%	4.5%	3.8%	4.1%
National (Thousands)	15,987	16,386	16,946	17,555	17,925	18,281	19,012	19,716	20,365
% Ch	0.0%	2.5%	3.4%	3.6%	2.1%	2.0%	4.0%	3.7%	3.3%
EDUCATION & HEALTH									
Idaho	62,551	65,215	67,986	70,105	73,983	76,745	79,136	81,751	84,779
% Ch	4.6%	4.3%	4.2%	3.1%	5.5%	3.7%	3.1%	3.3%	3.7%
National (Thousands)	16,588	16,952	17,371	17,836	18,383	18,973	19,403	19,683	19,878
% Ch	2.4%	2.2%	2.5%	2.7%	3.1%	3.2%	2.3%	1.4%	1.0%
LEISURE & HOSPITALITY									
Idaho	54,406	55,571	57,357	59,668	63,210	65,589	67,610	69,289	71,112
% Ch	2.1%	2.1%	3.2%	4.0%	5.9%	3.8%	3.1%	2.5%	2.6%
National (Thousands)	12,173	12,495	12,814	13,139	13,564	13,849	14,034	14,167	14,385
% Ch	1.6%	2.6%	2.6%	2.5%	3.2%	2.1%	1.3%	0.9%	1.5%
OTHER SERVICES									
Idaho	18,167	18,269	18,474	19,014	19,406	20,022	20,824	21,669	22,618
% Ch	1.7%	0.6%	1.1%	2.9%	2.1%	3.2%	4.0%	4.1%	4.4%
National (Thousands)	5,401	5,409	5,394	5,432	5,472	5,533	5,471	5,442	5,428
% Ch	0.5%	0.1%	-0.3%	0.7%	0.7%	1.1%	-1.1%	-0.5%	-0.3%
TRADE									
Idaho	97,120	99,130	103,676	107,466	112,270	115,858	119,817	124,106	129,219
% Ch	-0.2%	2.1%	4.6%	3.7%	4.5%	3.2%	3.4%	3.6%	4.1%
National (Thousands)	20,524	20,721	21,043	21,218	21,378	21,456	21,790	21,855	21,969
% Ch	-0.8%	1.0%	1.6%	0.8%	0.8%	0.4%	1.6%	0.3%	0.5%
RETAIL TRADE									
Idaho	72,623	73,722	76,797	80,509	84,038	86,631	89,736	93,099	97,093
% Ch	0.3%	1.5%	4.2%	4.8%	4.4%	3.1%	3.6%	3.7%	4.3%
National (Thousands)	14,916	15,059	15,281	15,321	15,373	15,410	15,688	15,676	15,681
% Ch	-0.7%	1.0%	1.5%	0.3%	0.3%	0.2%	1.8%	-0.1%	0.0%
WHOLESALE TRADE									
Idaho	24,497	25,409	26,879	26,956	28,232	29,227	30,081	31,007	32,126
% Ch	-1.8%	3.7%	5.8%	0.3%	4.7%	3.5%	2.9%	3.1%	3.6%
National (Thousands)	5,608	5,662	5,762	5,897	6,005	6,046	6,102	6,179	6,288
% Ch	-0.8%	1.0%	1.8%	2.3%	1.8%	0.7%	0.9%	1.3%	1.8%
STATE & LOCAL GOVERNMENT									
Idaho	99,398	101,147	101,864	103,524	104,221	105,799	106,563	107,556	108,777
% Ch	0.9%	1.8%	0.7%	1.6%	0.7%	1.5%	0.7%	0.9%	1.1%
National (Thousands)	18,819	18,889	19,074	19,260	19,542	19,737	19,821	19,955	20,136
% Ch	0.4%	0.4%	1.0%	1.0%	1.5%	1.0%	0.4%	0.7%	0.9%
EDUCATION									
Idaho	49,908	50,813	51,301	52,645	53,011	53,687	54,349	55,184	56,134
% Ch	0.5%	1.8%	1.0%	2.6%	0.7%	1.3%	1.2%	1.5%	1.7%
NONEDUCATION									
Idaho	49,489	50,334	50,564	50,878	51,210	52,112	52,214	52,371	52,643
% Ch	1.3%	1.7%	0.5%	0.6%	0.7%	1.8%	0.2%	0.3%	0.5%
FEDERAL GOVERNMENT									
Idaho	13,624	13,311	13,078	12,873	12,823	12,760	12,889	13,300	12,978
% Ch	0.5%	-2.3%	-1.8%	-1.6%	-0.4%	-0.5%	1.0%	3.2%	-2.4%
National (Thousands)	2,761	2,731	2,732	2,728	2,713	2,715	2,720	2,775	2,677
% Ch	-0.2%	-1.1%	0.1%	-0.2%	-0.5%	0.1%	0.2%	2.0%	-3.6%

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**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
JANUARY 2008**

MISCELLANEOUS

	1994	1995	1996	1997	1998	1999	2000	2001	2002
SELECTED CHAIN-WEIGHTED DEFL.									
Gross Domestic Product	90.265	92.115	93.859	95.415	96.475	97.868	100.000	102.402	104.193
% Ch	2.1%	2.0%	1.9%	1.7%	1.1%	1.4%	2.2%	2.4%	1.7%
Consumption Expenditures	89.654	91.577	93.547	95.124	95.978	97.575	100.000	102.094	103.542
% Ch	2.1%	2.1%	2.2%	1.7%	0.9%	1.7%	2.5%	2.1%	1.4%
Durable Goods	109.978	110.672	109.507	107.068	104.152	101.626	100.000	98.114	95.766
% Ch	2.0%	0.6%	-1.1%	-2.2%	-2.7%	-2.4%	-1.6%	-1.9%	-2.4%
Nondurable Goods	89.605	90.629	92.567	93.835	93.821	96.173	100.000	101.531	102.089
% Ch	0.7%	1.1%	2.1%	1.4%	0.0%	2.5%	4.0%	1.5%	0.5%
Services	85.748	88.320	90.844	93.305	95.319	97.393	100.000	103.257	106.018
% Ch	2.9%	3.0%	2.9%	2.7%	2.2%	2.2%	2.7%	3.3%	2.7%
Consumer Price Index (1982-84=1.000)	1.482	1.524	1.569	1.605	1.630	1.666	1.722	1.770	1.799
% Ch	2.6%	2.8%	2.9%	2.3%	1.5%	2.2%	3.4%	2.8%	1.6%

SELECTED INTEREST RATES

Federal Funds	4.2%	5.8%	5.3%	5.5%	5.4%	5.0%	6.2%	3.9%	1.7%
NY Fed Discount	3.6%	5.2%	5.0%	5.0%	4.9%	4.6%	5.7%	3.4%	1.2%
Prime	7.1%	8.8%	8.3%	8.4%	8.4%	8.0%	9.2%	6.9%	4.7%
Existing Home Mortgage	7.5%	7.8%	7.7%	7.7%	7.1%	7.3%	8.0%	7.0%	6.5%
U.S. Govt. 3-Month Bills	4.2%	5.5%	5.0%	5.1%	4.8%	4.6%	5.8%	3.4%	1.6%
U.S. Govt. 6-Month Bills	4.6%	5.6%	5.1%	5.2%	4.8%	4.7%	5.9%	3.4%	1.7%
U.S. Govt. 5-Year Notes	6.7%	6.4%	6.2%	6.2%	5.2%	5.5%	6.2%	4.6%	3.8%
U.S. Govt. 10-Year Notes	7.1%	6.6%	6.4%	6.4%	5.3%	5.6%	6.0%	5.0%	4.6%

SELECTED US PRODUCTION INDICES

Wood Products	89.2	91.3	94.3	97.1	101.5	105.7	104.2	97.5	100.0
% Ch	5.9%	2.4%	3.3%	3.0%	4.5%	4.2%	-1.5%	-6.4%	2.5%
Computers & Electronic Products	18.9	24.9	32.0	43.0	56.2	75.5	101.8	103.5	100.0
% Ch	20.0%	31.9%	28.3%	34.3%	30.7%	34.3%	34.8%	1.7%	-3.4%
Food	88.2	90.4	88.6	91.0	95.0	96.0	97.7	97.7	100.0
% Ch	0.6%	2.6%	-2.1%	2.8%	4.4%	1.0%	1.7%	0.0%	2.4%
Agricultural Chemicals	114.8	114.3	116.6	121.0	123.5	111.3	105.1	96.7	100.0
% Ch	-0.2%	-0.4%	2.0%	3.8%	2.1%	-9.9%	-5.6%	-8.0%	3.4%
Metal Ore Mining	121.4	122.6	125.3	132.1	131.5	120.7	120.2	109.2	100.0
% Ch	1.9%	1.0%	2.2%	5.5%	-0.4%	-8.3%	-0.4%	-9.2%	-8.4%

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ANNUAL DETAIL
JANUARY 2008**

MISCELLANEOUS

	2003	2004	2005	2006	2007	2008	2009	2010	2011
SELECTED CHAIN-WEIGHTED DEFL.									
Gross Domestic Product	106.410	109.462	113.005	116.568	119.581	121.533	123.492	125.836	128.329
% Ch	2.1%	2.9%	3.2%	3.2%	2.6%	1.6%	1.6%	1.9%	2.0%
Consumption Expenditures	105.597	108.392	111.588	114.675	117.539	119.817	121.805	124.012	126.243
% Ch	2.0%	2.6%	2.9%	2.8%	2.5%	1.9%	1.7%	1.8%	1.8%
Durable Goods	92.366	90.696	90.018	88.857	87.293	85.985	85.429	84.715	83.772
% Ch	-3.6%	-1.8%	-0.7%	-1.3%	-1.8%	-1.5%	-0.6%	-0.8%	-1.1%
Nondurable Goods	104.145	107.626	111.561	114.989	118.334	120.343	121.532	123.442	125.357
% Ch	2.0%	3.3%	3.7%	3.1%	2.9%	1.7%	1.0%	1.6%	1.6%
Services	109.379	112.929	116.726	120.725	124.492	127.834	130.881	134.002	137.245
% Ch	3.2%	3.2%	3.4%	3.4%	3.1%	2.7%	2.4%	2.4%	2.4%
Consumer Price Index (1982-84=100)	1.840	1.889	1.953	2.016	2.074	2.117	2.152	2.193	2.232
% Ch	2.3%	2.7%	3.4%	3.2%	2.9%	2.1%	1.6%	1.9%	1.8%

SELECTED INTEREST RATES

Federal Funds	1.1%	1.3%	3.2%	5.0%	5.0%	3.6%	4.0%	4.8%	4.8%
NY Fed Discount	2.1%	2.3%	4.2%	5.9%	5.9%	4.1%	4.8%	5.8%	5.8%
Prime	4.1%	4.3%	6.2%	8.0%	8.1%	6.6%	7.0%	7.8%	7.8%
Existing Home Mortgage	5.7%	5.7%	5.9%	6.6%	6.5%	6.0%	6.4%	7.0%	7.0%
U.S. Govt. 3-Month Bills	1.0%	1.4%	3.1%	4.7%	4.4%	3.1%	3.8%	4.6%	4.6%
U.S. Govt. 6-Month Bills	1.1%	1.6%	3.4%	4.8%	4.4%	3.2%	3.9%	4.7%	4.7%
U.S. Govt. 5-Year Notes	3.0%	3.4%	4.0%	4.7%	4.4%	3.5%	4.3%	5.1%	5.1%
U.S. Govt. 10-Year Notes	4.0%	4.3%	4.3%	4.8%	4.6%	3.9%	4.6%	5.3%	5.3%

SELECTED US PRODUCTION INDICES

Wood Products	100.9	104.5	111.1	107.8	97.3	81.9	84.5	92.6	100.5
% Ch	0.9%	3.6%	6.3%	-3.0%	-9.7%	-15.8%	3.1%	9.6%	8.5%
Computers & Electronic Products	111.5	126.2	141.0	169.4	189.3	212.2	236.1	264.6	292.2
% Ch	11.5%	13.1%	11.7%	20.1%	11.8%	12.1%	11.2%	12.1%	10.4%
Food	101.0	101.1	104.5	107.7	112.9	115.6	117.5	119.8	122.3
% Ch	1.0%	0.1%	3.3%	3.1%	4.8%	2.5%	1.6%	2.0%	2.1%
Agricultural Chemicals	104.5	109.7	115.6	116.6	109.7	114.4	117.9	122.0	125.7
% Ch	4.5%	5.0%	5.4%	0.8%	-6.0%	4.3%	3.1%	3.5%	3.0%
Metal Ore Mining	94.3	94.0	101.8	103.2	105.2	110.0	114.1	117.9	119.7
% Ch	-5.7%	-0.4%	8.3%	1.4%	1.9%	4.6%	3.7%	3.4%	1.5%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2008**

DEMOGRAPHICS

	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4	Q1	2007 Q2	Q3	Q4
POPULATION												
Idaho (Thousands)	1,411.2	1,422.5	1,434.2	1,444.0	1,452.7	1,461.7	1,470.0	1,478.5	1,487.3	1,497.2	1,506.7	1,516.1
% Ch	3.0%	3.2%	3.3%	2.8%	2.4%	2.5%	2.3%	2.3%	2.4%	2.7%	2.6%	2.5%
National (Millions)	296.209	296.940	297.740	298.458	299.079	299.801	300.476	301.151	301.824	302.497	303.169	303.840
% Ch	0.9%	1.0%	1.1%	1.0%	0.8%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
BIRTHS												
Idaho (Thousands)	22.520	22.939	23.277	23.539	23.789	24.026	24.237	24.456	24.683	24.956	25.216	25.469
% Ch	-5.0%	7.7%	6.0%	4.6%	4.3%	4.0%	3.6%	3.7%	3.8%	4.5%	4.2%	4.1%
National (Thousands)	4,188	4,199	4,210	4,221	4,228	4,239	4,249	4,260	4,272	4,283	4,294	4,305
% Ch	1.1%	1.0%	1.1%	1.0%	0.7%	1.0%	1.0%	1.0%	1.1%	1.0%	1.0%	1.0%
DEATHS												
Idaho (Thousands)	10.060	10.290	10.570	10.730	10.779	10.839	10.896	10.954	11.014	11.079	11.143	11.206
% Ch	13.6%	9.5%	11.3%	6.2%	1.8%	2.3%	2.1%	2.1%	2.2%	2.4%	2.3%	2.3%
National (Thousands)	2,449	2,450	2,454	2,459	2,470	2,476	2,482	2,488	2,493	2,498	2,504	2,510
% Ch	-0.9%	0.2%	0.6%	0.8%	1.8%	1.1%	1.0%	0.9%	0.7%	0.9%	1.0%	1.0%
NET MIGRATION												
Idaho (Thousands)	17.546	22.265	27.152	30.313	28.478	26.023	22.492	21.058	20.908	21.605	22.620	23.312
HOUSING												
HOUSING STARTS												
Idaho	22,866	22,535	24,505	23,343	22,734	21,267	18,383	15,257	16,636	15,656	13,766	14,381
% Ch	31.9%	-5.7%	39.8%	-17.7%	-10.0%	-23.4%	-44.2%	-52.6%	41.4%	-21.6%	-40.2%	19.1%
National (Millions)	2.072	2.051	2.100	2.069	2.127	1.861	1.704	1.555	1.460	1.464	1.304	1.156
% Ch	23.5%	-3.9%	9.8%	-5.8%	11.8%	-41.4%	-29.7%	-30.8%	-22.1%	1.1%	-37.2%	-38.2%
SINGLE UNITS												
Idaho	20,503	20,007	21,642	21,258	20,707	19,190	16,558	13,177	13,693	13,254	11,675	12,325
% Ch	38.2%	-9.3%	36.9%	-6.9%	-10.0%	-26.2%	-44.6%	-59.9%	16.6%	-12.2%	-39.8%	24.2%
National (Millions)	1.705	1.697	1.747	1.725	1.752	1.520	1.393	1.232	1.172	1.166	0.995	0.837
% Ch	25.5%	-1.8%	12.3%	-4.9%	6.2%	-43.3%	-29.5%	-38.9%	-18.0%	-2.1%	-46.8%	-50.0%
MULTIPLE UNITS												
Idaho	2,363	2,528	2,863	2,086	2,027	2,078	1,825	2,080	2,942	2,402	2,090	2,056
% Ch	-9.8%	31.0%	64.5%	-71.9%	-10.8%	10.5%	-40.5%	68.8%	300.2%	-55.6%	-42.6%	-6.4%
National (Millions)	0.367	0.354	0.353	0.343	0.376	0.341	0.311	0.323	0.288	0.299	0.308	0.319
% Ch	14.7%	-13.1%	-1.5%	-10.5%	43.3%	-32.1%	-30.8%	16.4%	-36.5%	15.1%	13.6%	14.6%
HOUSING STOCK												
Idaho (Thousands)	486.1	491.3	497.1	502.6	507.9	512.8	517.0	520.4	524.2	527.7	530.8	534.0
% Ch	4.5%	4.4%	4.8%	4.5%	4.3%	3.9%	3.3%	2.7%	2.9%	2.7%	2.3%	2.4%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2008**

DEMOGRAPHICS

	Q1	2008 Q2	Q3	Q4	Q1	2009 Q2	Q3	Q4	Q1	2010 Q2	Q3	Q4
POPULATION												
Idaho (Thousands)	1,525.4	1,532.1	1,538.8	1,545.7	1,552.8	1,560.2	1,567.7	1,575.3	1,583.1	1,590.9	1,598.7	1,606.6
% Ch	2.5%	1.8%	1.8%	1.8%	1.9%	1.9%	1.9%	2.0%	2.0%	2.0%	2.0%	2.0%
National (Millions)	304.511	305.182	305.851	306.520	307.189	307.856	308.523	309.189	309.854	310.519	311.185	311.851
% Ch	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
BIRTHS												
Idaho (Thousands)	25.717	25.863	26.012	26.165	26.328	26.502	26.680	26.862	27.052	27.241	27.431	27.626
% Ch	4.0%	2.3%	2.3%	2.4%	2.5%	2.7%	2.7%	2.8%	2.8%	2.8%	2.8%	2.9%
National (Thousands)	4,316	4,327	4,338	4,349	4,360	4,371	4,382	4,393	4,405	4,416	4,426	4,435
% Ch	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%	1.0%	0.9%	0.8%
DEATHS												
Idaho (Thousands)	11.269	11.316	11.364	11.413	11.463	11.515	11.567	11.620	11.673	11.727	11.781	11.836
% Ch	2.2%	1.7%	1.7%	1.7%	1.8%	1.8%	1.8%	1.8%	1.9%	1.9%	1.9%	1.9%
National (Thousands)	2,517	2,523	2,530	2,536	2,542	2,549	2,555	2,561	2,568	2,574	2,580	2,586
% Ch	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%	1.0%	0.9%	0.9%
NET MIGRATION												
Idaho (Thousands)	23.640	20.360	17.471	14.857	12.592	13.158	13.780	14.385	14.922	15.181	15.337	15.510
HOUSING												
HOUSING STARTS												
Idaho	15,293	16,100	16,267	16,305	16,424	16,569	16,109	15,852	15,959	16,522	17,054	17,476
% Ch	27.9%	22.8%	4.2%	0.9%	3.0%	3.6%	-10.6%	-6.2%	2.7%	14.9%	13.5%	10.3%
National (Millions)	0.985	0.992	1.057	1.106	1.194	1.288	1.357	1.410	1.455	1.504	1.567	1.633
% Ch	-47.3%	3.0%	29.1%	19.7%	35.8%	35.3%	23.1%	16.6%	13.6%	13.9%	18.1%	17.8%
SINGLE UNITS												
Idaho	13,045	13,732	13,790	13,797	13,951	14,234	14,001	13,964	14,265	14,889	15,456	15,897
% Ch	25.5%	22.8%	1.7%	0.2%	4.6%	8.4%	-6.4%	-1.0%	8.9%	18.7%	16.1%	11.9%
National (Millions)	0.727	0.732	0.779	0.825	0.901	0.986	1.050	1.103	1.154	1.206	1.269	1.332
% Ch	-43.1%	2.9%	27.9%	25.8%	42.6%	43.6%	28.4%	21.8%	19.9%	19.4%	22.2%	21.4%
MULTIPLE UNITS												
Idaho	2,248	2,368	2,476	2,509	2,473	2,335	2,108	1,888	1,694	1,633	1,598	1,580
% Ch	43.0%	23.0%	19.6%	5.3%	-5.5%	-20.5%	-33.6%	-35.7%	-35.1%	-13.7%	-8.2%	-4.5%
National (Millions)	0.258	0.260	0.279	0.281	0.293	0.301	0.307	0.307	0.301	0.297	0.299	0.301
% Ch	-57.4%	3.3%	32.5%	3.8%	17.3%	12.1%	7.0%	0.0%	-6.8%	-5.4%	2.5%	3.2%
HOUSING STOCK												
Idaho (Thousands)	537.4	541.0	544.7	548.3	552.0	555.8	559.4	562.9	566.5	570.2	574.0	578.0
% Ch	2.6%	2.7%	2.7%	2.7%	2.7%	2.7%	2.6%	2.6%	2.6%	2.6%	2.7%	2.8%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2008**

OUTPUT, INCOME, & WAGES

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
U.S. GROSS DOM. PRODUCT (Billions)												
Current Dollars	12,154	12,317	12,559	12,706	12,965	13,155	13,267	13,392	13,552	13,769	13,967	14,021
% Ch	7.1%	5.5%	8.1%	4.8%	8.4%	6.0%	3.4%	3.8%	4.9%	6.6%	5.9%	1.5%
2000 Chain-Weighted	10,878	10,954	11,074	11,107	11,239	11,307	11,337	11,396	11,413	11,520	11,659	11,660
% Ch	3.1%	2.8%	4.5%	1.2%	4.8%	2.4%	1.1%	2.1%	0.6%	3.8%	4.9%	0.0%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	39,352	40,053	40,818	41,433	42,717	43,777	43,993	45,182	46,384	46,818	47,611	48,363
% Ch	-0.3%	7.3%	7.9%	6.2%	13.0%	10.3%	2.0%	11.3%	11.1%	3.8%	6.9%	6.5%
Idaho Nonfarm (Millions)	38,410	39,132	39,974	40,641	42,108	43,163	43,309	44,483	45,384	45,994	46,622	47,320
% Ch	0.2%	7.7%	8.9%	6.8%	15.2%	10.4%	1.4%	11.3%	8.4%	5.5%	5.6%	6.1%
National (Billions)	10,074	10,234	10,329	10,567	10,787	10,916	11,031	11,200	11,469	11,577	11,742	11,861
% Ch	2.0%	6.5%	3.7%	9.6%	8.6%	4.8%	4.3%	6.3%	10.0%	3.8%	5.8%	4.1%
PERSONAL INCOME - 2000 \$												
Idaho (Millions)	35,736	36,072	36,378	36,670	37,643	38,177	38,120	39,240	39,942	39,898	40,406	40,692
% Ch	-2.4%	3.8%	3.4%	3.2%	11.0%	5.8%	-0.6%	12.3%	7.3%	-0.4%	5.2%	2.9%
Idaho Nonfarm (Millions)	34,880	35,242	35,626	35,969	37,106	37,641	37,528	38,633	39,081	39,196	39,567	39,815
% Ch	-2.0%	4.2%	4.4%	3.9%	13.3%	5.9%	-1.2%	12.3%	4.7%	1.2%	3.8%	2.5%
National (Billions)	9,148	9,217	9,205	9,353	9,506	9,519	9,558	9,727	9,876	9,866	9,965	9,979
% Ch	-0.2%	3.0%	-0.5%	6.6%	6.7%	0.6%	1.7%	7.3%	6.3%	-0.4%	4.1%	0.6%
PER CAPITA PERS INC - CURR \$												
Idaho	27,885	28,157	28,461	28,694	29,405	29,950	29,927	30,559	31,187	31,271	31,599	31,899
% Ch	-3.2%	4.0%	4.4%	3.3%	10.3%	7.6%	-0.3%	8.7%	8.5%	1.1%	4.3%	3.9%
National	34,010	34,465	34,690	35,407	36,068	36,409	36,711	37,191	38,000	38,272	38,730	39,036
% Ch	1.1%	5.5%	2.6%	8.5%	7.7%	3.8%	3.4%	5.3%	9.0%	2.9%	4.9%	3.2%
PER CAPITA PERS INC - 2000 \$												
Idaho	25,323	25,358	25,365	25,395	25,912	26,118	25,932	26,540	26,856	26,649	26,817	26,840
% Ch	-5.3%	0.6%	0.1%	0.5%	8.4%	3.2%	-2.8%	9.7%	4.8%	-3.0%	2.6%	0.3%
National	30,885	31,039	30,917	31,336	31,783	31,751	31,811	32,300	32,722	32,615	32,869	32,844
% Ch	-1.1%	2.0%	-1.6%	5.5%	5.8%	-0.4%	0.8%	6.3%	5.3%	-1.3%	3.1%	-0.3%
AVERAGE ANNUAL WAGE												
Idaho	31,508	31,755	32,160	32,330	33,280	33,714	33,343	34,742	34,849	35,074	35,384	35,790
% Ch	0.7%	3.2%	5.2%	2.1%	12.3%	5.3%	-4.3%	17.9%	1.2%	2.6%	3.6%	4.7%
National	41,906	42,093	42,656	42,910	43,914	43,840	44,091	44,928	45,795	45,834	46,274	46,549
% Ch	1.7%	1.8%	5.5%	2.4%	9.7%	-0.7%	2.3%	7.8%	7.9%	0.3%	3.9%	2.4%

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Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2008**

OUTPUT, INCOME, & WAGES

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
U.S. GROSS DOM. PRODUCT (Billions)												
Current Dollars	14,126	14,238	14,374	14,524	14,704	14,876	15,054	15,231	15,418	15,601	15,782	15,962
% Ch	3.0%	3.2%	3.9%	4.2%	5.1%	4.7%	4.9%	4.8%	5.0%	4.8%	4.7%	4.6%
2000 Chain-Weighted	11,683	11,734	11,807	11,891	11,985	12,074	12,164	12,252	12,339	12,427	12,513	12,596
% Ch	0.8%	1.8%	2.5%	2.9%	3.2%	3.0%	3.0%	2.9%	2.9%	2.9%	2.8%	2.7%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	49,074	49,626	50,290	50,956	51,795	52,499	53,253	54,030	54,888	55,733	56,557	57,477
% Ch	6.0%	4.6%	5.5%	5.4%	6.8%	5.6%	5.9%	6.0%	6.5%	6.3%	6.0%	6.7%
Idaho Nonfarm (Millions)	48,002	48,563	49,300	49,988	50,693	51,455	52,213	53,000	53,835	54,665	55,468	56,360
% Ch	5.9%	4.8%	6.2%	5.7%	5.8%	6.1%	6.0%	6.2%	6.4%	6.3%	6.0%	6.6%
National (Billions)	12,010	12,137	12,262	12,405	12,562	12,716	12,874	13,038	13,211	13,379	13,539	13,705
% Ch	5.1%	4.3%	4.2%	4.8%	5.1%	5.0%	5.1%	5.2%	5.4%	5.2%	4.9%	5.0%
PERSONAL INCOME - 2000 \$												
Idaho (Millions)	41,153	41,510	41,898	42,308	42,821	43,197	43,612	44,063	44,563	45,044	45,501	46,036
% Ch	4.6%	3.5%	3.8%	4.0%	4.9%	3.6%	3.9%	4.2%	4.6%	4.4%	4.1%	4.8%
Idaho Nonfarm (Millions)	40,254	40,621	41,073	41,505	41,910	42,337	42,760	43,223	43,708	44,181	44,625	45,141
% Ch	4.5%	3.7%	4.5%	4.3%	4.0%	4.1%	4.1%	4.4%	4.6%	4.4%	4.1%	4.7%
National (Billions)	10,071	10,152	10,216	10,300	10,385	10,462	10,543	10,633	10,725	10,813	10,892	10,977
% Ch	3.7%	3.2%	2.6%	3.3%	3.3%	3.0%	3.1%	3.5%	3.5%	3.3%	3.0%	3.1%
PER CAPITA PERS INC - CURR \$												
Idaho	32,172	32,391	32,681	32,966	33,355	33,649	33,968	34,297	34,671	35,032	35,376	35,775
% Ch	3.5%	2.8%	3.6%	3.5%	4.8%	3.6%	3.9%	3.9%	4.4%	4.2%	4.0%	4.6%
National	39,440	39,769	40,092	40,472	40,893	41,304	41,726	42,170	42,635	43,087	43,508	43,947
% Ch	4.2%	3.4%	3.3%	3.8%	4.2%	4.1%	4.2%	4.3%	4.5%	4.3%	4.0%	4.1%
PER CAPITA PERS INC - 2000 \$												
Idaho	26,979	27,094	27,227	27,371	27,576	27,686	27,819	27,970	28,149	28,313	28,461	28,654
% Ch	2.1%	1.7%	2.0%	2.1%	3.0%	1.6%	1.9%	2.2%	2.6%	2.4%	2.1%	2.7%
National	33,074	33,265	33,402	33,604	33,808	33,985	34,172	34,390	34,615	34,823	35,003	35,199
% Ch	2.8%	2.3%	1.7%	2.4%	2.5%	2.1%	2.2%	2.6%	2.6%	2.4%	2.1%	2.3%
AVERAGE ANNUAL WAGE												
Idaho	36,129	36,394	36,858	37,210	37,567	37,926	38,291	38,645	39,042	39,401	39,799	40,232
% Ch	3.8%	3.0%	5.2%	3.9%	3.9%	3.9%	3.9%	3.8%	4.2%	3.7%	4.1%	4.4%
National	46,974	47,371	47,762	48,173	48,601	48,983	49,414	49,853	50,327	50,746	51,175	51,613
% Ch	3.7%	3.4%	3.3%	3.5%	3.6%	3.2%	3.6%	3.6%	3.9%	3.4%	3.4%	3.5%

**National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007**

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2008**

PERSONAL INCOME -- CURR \$\$

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	19,783	20,034	20,532	20,842	21,778	22,271	22,204	23,211	23,522	23,838	24,214	24,574
% Ch	7.2%	5.2%	10.3%	6.2%	19.2%	9.4%	-1.2%	19.4%	5.5%	5.5%	6.5%	6.1%
National (Billions)	5,559	5,614	5,720	5,778	5,946	5,958	6,016	6,153	6,294	6,319	6,393	6,447
% Ch	3.0%	4.0%	7.8%	4.1%	12.1%	0.9%	3.9%	9.4%	9.5%	1.6%	4.8%	3.4%
FARM PROPRIETORS INCOME												
Idaho (Millions)	478	460	382	328	116	116	184	199	495	314	451	500
% Ch	-52.6%	-14.2%	-52.4%	-45.6%	-98.4%	0.0%	533.1%	36.8%	3728.3%	-83.8%	324.7%	50.8%
National (Billions)	30	34	31	28	21	15	18	24	29	33	38	40
% Ch	-53.8%	62.8%	-31.8%	-30.6%	-70.4%	-75.7%	136.2%	204.0%	119.8%	67.4%	66.5%	31.7%
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	4,073	4,156	4,274	4,263	4,444	4,513	4,446	4,423	4,526	4,552	4,573	4,545
% Ch	9.8%	8.4%	11.8%	-1.0%	18.1%	6.4%	-5.8%	-2.1%	9.6%	2.3%	1.8%	-2.4%
National (Billions)	919	937	936	964	979	999	986	986	998	1,005	1,011	1,003
% Ch	4.8%	8.3%	-0.4%	12.6%	6.3%	8.2%	-5.3%	0.1%	5.2%	2.8%	2.3%	-3.1%
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	6,883	7,094	7,275	7,524	7,642	7,908	8,035	8,073	8,271	8,477	8,692	8,898
% Ch	-29.2%	12.8%	10.6%	14.4%	6.4%	14.7%	6.6%	1.9%	10.2%	10.3%	10.6%	9.8%
National (Billions)	1,615	1,665	1,594	1,769	1,785	1,851	1,881	1,888	1,936	1,992	2,040	2,077
% Ch	-11.6%	12.8%	-15.9%	51.6%	3.6%	15.7%	6.6%	1.4%	10.7%	12.1%	9.9%	7.6%
OTHER LABOR INCOME												
Idaho (Millions)	4,838	4,920	5,024	5,123	5,281	5,465	5,420	5,638	5,677	5,743	5,857	5,956
% Ch	10.9%	7.0%	8.7%	8.1%	12.9%	14.7%	-3.3%	17.1%	2.8%	4.7%	8.2%	6.9%
National (Billions)	909	922	936	945	955	966	975	987	999	1,011	1,023	1,035
% Ch	9.2%	5.7%	6.2%	3.9%	4.6%	4.4%	4.2%	4.7%	5.2%	4.8%	4.8%	5.1%
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	5,941	6,066	6,071	6,137	6,405	6,533	6,681	6,772	7,091	7,115	7,074	7,188
% Ch	15.8%	8.7%	0.3%	4.4%	18.6%	8.2%	9.4%	5.6%	20.2%	1.4%	-2.3%	6.6%
National (Billions)	1,481	1,505	1,561	1,536	1,573	1,599	1,631	1,648	1,711	1,717	1,742	1,766
% Ch	12.7%	6.8%	15.6%	-6.1%	9.8%	6.9%	8.1%	4.3%	16.2%	1.5%	6.0%	5.5%
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	3,286	3,330	3,412	3,460	3,641	3,720	3,707	3,862	3,936	3,978	4,028	4,083
% Ch	13.0%	5.5%	10.2%	5.7%	22.6%	9.0%	-1.4%	17.8%	7.9%	4.3%	5.1%	5.6%
National (Billions)	422	426	433	436	448	448	451	460	471	472	476	480
% Ch	6.0%	3.1%	6.6%	3.0%	11.6%	0.1%	2.9%	8.2%	10.0%	0.7%	3.7%	2.9%
RESIDENCE ADJUSTMENT												
Idaho (Millions)	643	652	671	677	692	690	730	728	738	756	778	784
% Ch	10.6%	5.7%	12.2%	3.6%	9.2%	-1.2%	25.3%	-1.1%	5.6%	10.1%	12.1%	3.1%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2008**

PERSONAL INCOME -- CURR \$\$

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	24,887	25,156	25,586	25,939	26,320	26,715	27,111	27,500	27,954	28,364	28,796	29,288
% Ch	5.2%	4.4%	7.0%	5.6%	6.0%	6.1%	6.1%	5.9%	6.8%	6.0%	6.2%	7.0%
National (Billions)	6,517	6,582	6,652	6,727	6,811	6,891	6,973	7,057	7,147	7,229	7,313	7,398
% Ch	4.4%	4.1%	4.3%	4.6%	5.1%	4.8%	4.9%	4.9%	5.2%	4.7%	4.7%	4.7%
FARM PROPRIETORS INCOME												
Idaho (Millions)	525	512	441	418	551	494	489	478	500	512	531	558
% Ch	22.0%	-9.4%	-44.9%	-19.1%	201.5%	-35.5%	-4.3%	-8.6%	19.5%	10.3%	15.7%	22.2%
National (Billions)	38	37	32	31	26	24	23	23	23	24	24	25
% Ch	-18.8%	-11.6%	-42.4%	-19.5%	-44.7%	-34.2%	-7.1%	-11.2%	10.0%	5.9%	10.6%	16.5%
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	4,604	4,685	4,766	4,847	4,945	5,032	5,106	5,175	5,243	5,317	5,384	5,459
% Ch	5.2%	7.3%	7.1%	7.1%	8.3%	7.3%	6.0%	5.5%	5.4%	5.8%	5.1%	5.6%
National (Billions)	1,015	1,032	1,049	1,067	1,088	1,106	1,122	1,136	1,150	1,166	1,180	1,195
% Ch	4.8%	7.0%	6.8%	6.8%	8.1%	7.1%	5.7%	5.2%	5.1%	5.5%	4.8%	5.4%
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	9,074	9,195	9,296	9,426	9,546	9,700	9,875	10,065	10,265	10,457	10,631	10,811
% Ch	8.2%	5.4%	4.5%	5.7%	5.2%	6.6%	7.4%	7.9%	8.2%	7.7%	6.8%	6.9%
National (Billions)	2,112	2,134	2,152	2,175	2,199	2,229	2,263	2,300	2,340	2,378	2,412	2,446
% Ch	6.8%	4.3%	3.3%	4.5%	4.4%	5.5%	6.2%	6.8%	7.1%	6.7%	5.8%	5.8%
OTHER LABOR INCOME												
Idaho (Millions)	5,993	6,031	6,100	6,153	6,214	6,283	6,351	6,424	6,511	6,603	6,694	6,801
% Ch	2.5%	2.5%	4.6%	3.5%	4.0%	4.5%	4.4%	4.7%	5.5%	5.8%	5.6%	6.6%
National (Billions)	1,042	1,050	1,057	1,066	1,076	1,087	1,098	1,109	1,122	1,136	1,149	1,163
% Ch	2.7%	3.1%	2.7%	3.4%	3.9%	3.9%	4.0%	4.4%	4.6%	5.1%	4.7%	4.8%
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	7,355	7,440	7,544	7,645	7,800	7,903	7,999	8,101	8,244	8,347	8,445	8,554
% Ch	9.6%	4.7%	5.7%	5.5%	8.4%	5.4%	5.0%	5.2%	7.3%	5.1%	4.8%	5.3%
National (Billions)	1,802	1,821	1,844	1,867	1,902	1,924	1,945	1,966	1,997	2,019	2,039	2,062
% Ch	8.4%	4.3%	5.2%	5.0%	7.7%	4.8%	4.4%	4.5%	6.5%	4.4%	4.1%	4.5%
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	4,153	4,184	4,242	4,278	4,390	4,441	4,495	4,533	4,656	4,700	4,762	4,839
% Ch	7.1%	3.0%	5.6%	3.4%	10.9%	4.8%	4.9%	3.4%	11.3%	3.8%	5.4%	6.7%
National (Billions)	487	490	494	497	509	513	518	521	533	536	541	547
% Ch	6.3%	2.7%	2.9%	2.5%	9.9%	3.4%	3.8%	2.4%	9.6%	2.5%	3.9%	4.4%
RESIDENCE ADJUSTMENT												
Idaho (Millions)	788	791	799	805	809	813	817	821	827	832	837	845
% Ch	2.2%	1.4%	4.3%	2.9%	1.8%	2.1%	2.1%	2.0%	3.1%	2.3%	2.7%	3.7%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2008**

EMPLOYMENT

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	603,411	607,023	614,979	621,468	630,684	637,247	642,269	645,409	652,120	656,831	659,820	662,115
% Ch	5.0%	2.4%	5.3%	4.3%	6.1%	4.2%	3.2%	2.0%	4.2%	2.9%	1.8%	1.4%
National (Thousands)	132,656	133,371	134,107	134,652	135,393	135,913	136,442	136,951	137,447	137,864	138,160	138,504
% Ch	1.3%	2.2%	2.2%	1.6%	2.2%	1.5%	1.6%	1.5%	1.5%	1.2%	0.9%	1.0%
GOODS PRODUCING SECTOR												
Idaho	109,867	110,876	112,963	115,709	119,943	122,363	123,240	123,707	124,611	124,456	123,671	122,537
% Ch	8.1%	3.7%	7.7%	10.1%	15.5%	8.3%	2.9%	1.5%	3.0%	-0.5%	-2.5%	-3.6%
National (Thousands)	22,027	22,153	22,218	22,370	22,534	22,604	22,625	22,539	22,505	22,447	22,362	22,257
% Ch	0.3%	2.3%	1.2%	2.8%	3.0%	1.2%	0.4%	-1.5%	-0.6%	-1.0%	-1.5%	-1.9%
MANUFACTURING												
Idaho	64,714	64,740	65,058	65,656	66,936	67,681	68,249	68,529	68,515	68,702	67,573	67,125
% Ch	2.7%	0.2%	2.0%	3.7%	8.0%	4.5%	3.4%	1.6%	-0.1%	1.1%	-6.4%	-2.6%
National (Thousands)	14,337	14,305	14,267	14,266	14,280	14,293	14,283	14,211	14,176	14,128	14,073	13,997
% Ch	-1.1%	-0.9%	-1.1%	0.0%	0.4%	0.4%	-0.3%	-2.0%	-1.0%	-1.4%	-1.5%	-2.1%
DURABLE MANUFACTURING												
Idaho	41,523	41,877	42,288	42,761	43,787	44,404	44,885	45,370	45,066	44,948	43,727	43,321
% Ch	5.6%	3.5%	4.0%	4.6%	10.0%	5.8%	4.4%	4.4%	-2.7%	-1.0%	-10.4%	-3.7%
National (Thousands)	9,024	9,020	9,008	9,031	9,055	9,090	9,085	9,044	9,006	8,975	8,940	8,891
% Ch	-0.2%	-0.2%	-0.5%	1.0%	1.1%	1.5%	-0.2%	-1.8%	-1.7%	-1.4%	-1.5%	-2.2%
LOGGING & WOOD PRODUCTS												
Idaho	9,455	9,541	9,650	9,829	10,061	10,187	10,031	9,862	9,722	9,739	9,487	9,200
% Ch	6.0%	3.7%	4.6%	7.7%	9.8%	5.1%	-6.0%	-6.6%	-5.5%	0.7%	-10.0%	-11.6%
National (Thousands)	625	620	624	630	637	634	625	608	599	592	587	581
% Ch	0.4%	-2.8%	2.3%	4.3%	4.5%	-2.1%	-5.7%	-10.3%	-5.5%	-4.8%	-3.7%	-4.0%
METAL FABRICATION												
Idaho	3,766	3,818	3,943	4,095	4,222	4,272	4,390	4,624	4,621	4,668	4,680	4,698
% Ch	15.8%	5.7%	13.7%	16.4%	12.9%	4.9%	11.5%	23.1%	-0.2%	4.1%	1.1%	1.5%
National (Thousands)	1,514	1,520	1,524	1,530	1,541	1,551	1,563	1,564	1,565	1,567	1,569	1,571
% Ch	1.0%	1.7%	1.0%	1.6%	2.8%	2.6%	3.2%	0.2%	0.4%	0.4%	0.6%	0.4%
MACHINERY												
Idaho	2,602	2,571	2,602	2,649	2,795	2,842	2,871	2,951	2,877	2,980	2,981	2,967
% Ch	3.5%	-4.7%	4.8%	7.5%	23.9%	6.9%	4.1%	11.5%	-9.6%	15.1%	0.1%	-1.8%
National (Thousands)	1,154	1,161	1,165	1,172	1,173	1,184	1,201	1,210	1,216	1,221	1,224	1,224
% Ch	1.5%	2.6%	1.3%	2.2%	0.5%	3.9%	5.7%	3.0%	2.0%	1.8%	1.1%	0.0%
COMPUTER & ELECTRONICS												
Idaho	16,309	16,325	16,130	15,968	16,369	16,490	16,781	17,023	17,006	16,834	15,940	15,865
% Ch	-0.7%	0.4%	-4.7%	-4.0%	10.4%	3.0%	7.2%	5.9%	-0.4%	-4.0%	-19.6%	-1.9%
National (Thousands)	1,318	1,317	1,316	1,314	1,309	1,318	1,319	1,319	1,317	1,309	1,300	1,289
% Ch	-0.3%	-0.5%	-0.1%	-0.8%	-1.5%	3.0%	0.2%	0.0%	-0.7%	-2.5%	-2.5%	-3.5%
OTHER DURABLES												
Idaho	9,391	9,622	9,963	10,219	10,340	10,613	10,812	10,911	10,840	10,728	10,640	10,591
% Ch	13.9%	10.2%	15.0%	10.7%	4.8%	11.0%	7.7%	3.7%	-2.6%	-4.1%	-3.2%	-1.8%
National (Thousands)	4,413	4,401	4,379	4,386	4,396	4,403	4,378	4,344	4,309	4,286	4,260	4,226
% Ch	-1.1%	-1.1%	-2.0%	0.6%	0.9%	0.7%	-2.3%	-3.1%	-3.2%	-2.1%	-2.4%	-3.1%

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**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2008**

EMPLOYMENT

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	664,253	666,598	669,844	672,932	676,367	680,385	684,239	688,038	692,411	696,477	700,333	704,980
% Ch	1.3%	1.4%	2.0%	1.9%	2.1%	2.4%	2.3%	2.2%	2.6%	2.4%	2.2%	2.7%
National (Thousands)	138,744	138,955	139,264	139,645	140,139	140,674	141,123	141,554	142,004	142,457	142,900	143,339
% Ch	0.7%	0.6%	0.9%	1.1%	1.4%	1.5%	1.3%	1.2%	1.3%	1.3%	1.2%	1.2%
GOODS PRODUCING SECTOR												
Idaho	121,047	119,712	118,923	118,105	117,820	118,113	118,384	118,354	118,336	118,559	118,980	119,585
% Ch	-4.8%	-4.3%	-2.6%	-2.7%	-1.0%	1.0%	0.9%	-0.1%	-0.1%	0.8%	1.4%	2.1%
National (Thousands)	22,118	21,938	21,770	21,666	21,628	21,593	21,584	21,606	21,647	21,707	21,792	21,882
% Ch	-2.5%	-3.2%	-3.0%	-1.9%	-0.7%	-0.6%	-0.2%	0.4%	0.7%	1.1%	1.6%	1.7%
MANUFACTURING												
Idaho	66,649	65,637	64,937	64,247	64,046	64,340	64,876	65,439	65,942	66,436	66,946	67,551
% Ch	-2.8%	-5.9%	-4.2%	-4.2%	-1.2%	1.8%	3.4%	3.5%	3.1%	3.0%	3.1%	3.7%
National (Thousands)	13,922	13,851	13,727	13,630	13,579	13,569	13,572	13,587	13,596	13,610	13,642	13,676
% Ch	-2.1%	-2.0%	-3.5%	-2.8%	-1.5%	-0.3%	0.1%	0.4%	0.2%	0.4%	0.9%	1.0%
DURABLE MANUFACTURING												
Idaho	42,910	41,931	41,258	40,565	40,295	40,505	40,925	41,393	41,839	42,304	42,780	43,337
% Ch	-3.7%	-8.8%	-6.3%	-6.6%	-2.6%	2.1%	4.2%	4.7%	4.4%	4.5%	4.6%	5.3%
National (Thousands)	8,838	8,782	8,703	8,631	8,587	8,578	8,593	8,626	8,650	8,670	8,705	8,739
% Ch	-2.4%	-2.5%	-3.5%	-3.3%	-2.0%	-0.4%	0.7%	1.5%	1.1%	0.9%	1.6%	1.6%
LOGGING & WOOD PRODUCTS												
Idaho	9,015	8,559	8,499	8,242	8,163	8,264	8,445	8,625	8,792	9,048	9,265	9,478
% Ch	-7.8%	-18.7%	-2.8%	-11.6%	-3.8%	5.1%	9.0%	8.8%	8.0%	12.2%	10.0%	9.5%
National (Thousands)	567	536	515	506	505	509	516	524	535	546	557	568
% Ch	-8.8%	-20.5%	-14.8%	-6.9%	-0.8%	3.3%	5.5%	7.0%	8.5%	8.1%	8.5%	8.5%
METAL FABRICATION												
Idaho	4,668	4,644	4,632	4,632	4,640	4,654	4,673	4,699	4,729	4,756	4,782	4,811
% Ch	-2.6%	-2.0%	-1.0%	0.1%	0.7%	1.2%	1.6%	2.3%	2.5%	2.3%	2.2%	2.4%
National (Thousands)	1,573	1,581	1,576	1,565	1,554	1,547	1,543	1,544	1,544	1,546	1,550	1,554
% Ch	0.5%	2.2%	-1.4%	-2.6%	-3.0%	-1.6%	-1.0%	0.3%	0.0%	0.3%	1.0%	1.1%
MACHINERY												
Idaho	2,963	2,930	2,894	2,863	2,841	2,829	2,824	2,823	2,823	2,826	2,830	2,835
% Ch	-0.5%	-4.4%	-4.8%	-4.2%	-3.1%	-1.6%	-0.7%	-0.2%	0.1%	0.4%	0.6%	0.7%
National (Thousands)	1,220	1,211	1,210	1,209	1,205	1,204	1,203	1,200	1,196	1,194	1,198	1,203
% Ch	-1.3%	-3.1%	-0.3%	-0.3%	-1.5%	-0.3%	-0.2%	-1.0%	-1.6%	-0.5%	1.2%	1.7%
COMPUTER & ELECTRONICS												
Idaho	15,918	15,654	15,145	14,681	14,392	14,358	14,421	14,525	14,637	14,684	14,764	14,897
% Ch	1.3%	-6.5%	-12.4%	-11.7%	-7.7%	-0.9%	1.8%	2.9%	3.1%	1.3%	2.2%	3.7%
National (Thousands)	1,283	1,292	1,271	1,237	1,223	1,212	1,213	1,221	1,227	1,226	1,220	1,205
% Ch	-1.8%	2.8%	-6.3%	-10.1%	-4.6%	-3.5%	0.3%	2.6%	2.0%	-0.3%	-1.9%	-4.8%
OTHER DURABLES												
Idaho	10,346	10,143	10,089	10,146	10,259	10,400	10,563	10,722	10,858	10,990	11,139	11,317
% Ch	-9.0%	-7.6%	-2.1%	2.3%	4.5%	5.6%	6.4%	6.2%	5.2%	4.9%	5.5%	6.5%
National (Thousands)	4,195	4,162	4,132	4,114	4,101	4,106	4,118	4,136	4,148	4,159	4,180	4,209
% Ch	-3.0%	-3.1%	-2.8%	-1.8%	-1.2%	0.5%	1.2%	1.7%	1.2%	1.0%	2.1%	2.8%

IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2008
EMPLOYMENT

MANUFACTURING (continued)

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
NONDURABLE MANUFACTURING												
Idaho	23,190	22,862	22,770	22,895	23,149	23,277	23,365	23,158	23,448	23,754	23,846	23,804
% Ch	-2.3%	-5.5%	-1.6%	2.2%	4.5%	2.2%	1.5%	-3.5%	5.1%	5.3%	1.6%	-0.7%
National (Thousands)	5,313	5,286	5,259	5,235	5,225	5,203	5,197	5,167	5,170	5,153	5,133	5,106
% Ch	-2.7%	-2.1%	-2.0%	-1.8%	-0.8%	-1.6%	-0.5%	-2.3%	0.3%	-1.3%	-1.6%	-2.0%
FOOD PROCESSING												
Idaho	14,956	14,692	14,592	14,616	14,688	14,762	14,806	14,540	14,795	15,024	15,057	15,058
% Ch	-2.7%	-6.9%	-2.7%	0.7%	2.0%	2.0%	1.2%	-7.0%	7.2%	6.3%	0.9%	0.0%
National (Thousands)	1,483	1,479	1,477	1,475	1,479	1,483	1,489	1,488	1,494	1,499	1,499	1,495
% Ch	-1.0%	-1.3%	-0.5%	-0.6%	1.2%	1.2%	1.4%	-0.1%	1.5%	1.3%	0.1%	-1.1%
PRINTING												
Idaho	1,910	1,893	1,897	1,898	1,875	1,910	1,919	1,926	1,930	1,881	1,881	1,854
% Ch	-2.0%	-3.4%	0.7%	0.3%	-4.7%	7.7%	1.8%	1.5%	0.9%	-9.8%	-0.1%	-5.5%
National (Thousands)	652	649	644	641	638	636	633	636	634	630	628	627
% Ch	-2.6%	-1.9%	-2.7%	-1.8%	-1.7%	-1.7%	-1.4%	1.4%	-0.9%	-2.6%	-1.4%	-0.9%
CHEMICALS												
Idaho	1,937	1,921	1,946	1,948	2,086	2,102	2,133	2,144	2,205	2,261	2,347	2,327
% Ch	6.4%	-3.2%	5.2%	0.4%	31.5%	3.2%	6.0%	2.1%	11.9%	10.6%	16.1%	-3.4%
National (Thousands)	877	875	870	867	866	866	871	871	872	872	875	871
% Ch	-2.5%	-0.7%	-2.5%	-1.4%	-0.2%	-0.3%	2.6%	0.1%	0.2%	0.1%	1.2%	-1.8%
OTHER NONDURABLES												
Idaho	4,388	4,356	4,336	4,433	4,499	4,502	4,506	4,548	4,517	4,588	4,561	4,564
% Ch	-4.4%	-2.9%	-1.8%	9.2%	6.2%	0.2%	0.4%	3.8%	-2.7%	6.4%	-2.3%	0.2%
National (Thousands)	2,301	2,283	2,269	2,253	2,241	2,219	2,204	2,171	2,170	2,153	2,131	2,114
% Ch	-3.8%	-3.1%	-2.5%	-2.8%	-2.0%	-4.0%	-2.6%	-5.8%	-0.2%	-3.2%	-3.9%	-3.2%
MINING												
Idaho	2,029	2,124	2,225	2,267	2,336	2,391	2,358	2,415	2,592	2,582	2,841	2,800
% Ch	4.4%	20.1%	20.5%	7.6%	12.8%	9.8%	-5.4%	9.9%	32.8%	-1.6%	46.6%	-5.7%
National (Thousands)	544	557	565	582	596	614	627	637	645	654	665	672
% Ch	9.6%	10.3%	5.9%	12.0%	10.3%	12.8%	8.6%	6.6%	5.3%	5.7%	6.4%	4.5%
CONSTRUCTION												
Idaho	43,124	44,013	45,680	47,787	50,671	52,290	52,632	52,764	53,504	53,172	53,257	52,612
% Ch	17.2%	8.5%	16.0%	19.8%	26.4%	13.4%	2.6%	1.0%	5.7%	-2.5%	0.6%	-4.8%
National (Thousands)	7,146	7,290	7,385	7,522	7,658	7,696	7,716	7,691	7,684	7,665	7,625	7,588
% Ch	2.4%	8.3%	5.3%	7.6%	7.4%	2.0%	1.0%	-1.3%	-0.4%	-1.0%	-2.1%	-1.9%
NONGOODS PRODUCING												
Idaho	493,544	496,147	502,017	505,758	510,741	514,884	519,029	521,702	527,509	532,375	536,149	539,578
% Ch	4.4%	2.1%	4.8%	3.0%	4.0%	3.3%	3.3%	2.1%	4.5%	3.7%	2.9%	2.6%
National (Thousands)	110,630	111,218	111,889	112,282	112,859	113,310	113,817	114,412	114,942	115,417	115,797	116,247
% Ch	1.5%	2.1%	2.4%	1.4%	2.1%	1.6%	1.8%	2.1%	1.9%	1.7%	1.3%	1.6%
SERVICES												
Idaho	276,846	278,658	282,290	285,199	288,316	291,468	294,529	296,593	300,288	303,999	305,959	308,108
% Ch	5.9%	2.6%	5.3%	4.2%	4.4%	4.4%	4.3%	2.8%	5.1%	5.0%	2.6%	2.8%
National (Thousands)	68,004	68,425	68,916	69,276	69,772	70,168	70,579	71,052	71,440	71,807	72,131	72,496
% Ch	1.8%	2.5%	2.9%	2.1%	2.9%	2.3%	2.4%	2.7%	2.2%	2.1%	1.8%	2.0%
INFORMATION												
Idaho	10,898	11,034	11,018	11,331	10,484	10,600	10,631	10,641	10,827	10,923	10,880	10,840
% Ch	19.8%	5.1%	-0.6%	11.8%	-26.7%	4.5%	1.2%	0.4%	7.2%	3.6%	-1.5%	-1.5%
National (Thousands)	3,066	3,064	3,059	3,053	3,056	3,051	3,049	3,061	3,080	3,095	3,091	3,087
% Ch	-2.7%	-0.2%	-0.6%	-0.9%	0.4%	-0.7%	-0.3%	1.7%	2.5%	2.0%	-0.6%	-0.6%
FINANCIAL ACTIVITIES												
Idaho	28,860	29,203	29,940	30,609	31,177	31,700	31,927	32,173	32,354	32,642	32,628	32,816
% Ch	5.0%	4.8%	10.5%	9.2%	7.6%	6.9%	2.9%	3.1%	2.3%	3.6%	-0.2%	2.3%
National (Thousands)	8,095	8,109	8,169	8,238	8,294	8,347	8,385	8,425	8,444	8,457	8,463	8,440
% Ch	1.5%	0.7%	3.0%	3.5%	2.7%	2.5%	1.8%	1.9%	0.9%	0.6%	0.3%	-1.1%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2008**

EMPLOYMENT

MANUFACTURING (continued)

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
NONDURABLE MANUFACTURING												
Idaho	23,739	23,706	23,678	23,682	23,752	23,834	23,951	24,046	24,103	24,133	24,166	24,214
% Ch	-1.1%	-0.5%	-0.5%	0.1%	1.2%	1.4%	2.0%	1.6%	0.9%	0.5%	0.6%	0.8%
National (Thousands)	5,084	5,069	5,024	4,999	4,992	4,991	4,979	4,962	4,946	4,939	4,937	4,937
% Ch	-1.7%	-1.2%	-3.5%	-2.0%	-0.5%	-0.1%	-0.9%	-1.4%	-1.3%	-0.5%	-0.2%	0.0%
FOOD PROCESSING												
Idaho	15,021	14,990	14,950	14,949	14,999	15,067	15,166	15,246	15,291	15,308	15,322	15,354
% Ch	-1.0%	-0.8%	-1.1%	0.0%	1.4%	1.8%	2.6%	2.1%	1.2%	0.5%	0.4%	0.8%
National (Thousands)	1,491	1,497	1,495	1,500	1,509	1,519	1,524	1,525	1,525	1,528	1,533	1,538
% Ch	-1.0%	1.5%	-0.5%	1.4%	2.4%	2.6%	1.4%	0.2%	0.0%	0.8%	1.2%	1.3%
PRINTING												
Idaho	1,829	1,819	1,809	1,805	1,805	1,801	1,794	1,785	1,774	1,763	1,754	1,747
% Ch	-5.3%	-2.3%	-2.2%	-0.9%	0.0%	-0.9%	-1.4%	-2.0%	-2.5%	-2.5%	-1.9%	-1.6%
National (Thousands)	626	624	615	610	608	606	603	600	597	595	593	592
% Ch	-0.3%	-1.6%	-5.2%	-3.2%	-1.6%	-1.0%	-1.9%	-2.3%	-2.2%	-1.3%	-1.0%	-0.9%
CHEMICALS												
Idaho	2,316	2,313	2,319	2,308	2,299	2,290	2,282	2,274	2,266	2,258	2,252	2,246
% Ch	-1.9%	-0.6%	1.1%	-1.9%	-1.6%	-1.5%	-1.5%	-1.4%	-1.4%	-1.3%	-1.1%	-1.1%
National (Thousands)	872	870	863	860	857	855	851	849	847	847	847	847
% Ch	0.6%	-0.9%	-3.1%	-1.7%	-1.2%	-0.9%	-1.6%	-1.2%	-0.8%	-0.3%	0.1%	0.3%
OTHER NONDURABLES												
Idaho	4,572	4,584	4,601	4,621	4,649	4,677	4,709	4,740	4,772	4,803	4,837	4,868
% Ch	0.7%	1.1%	1.4%	1.8%	2.5%	2.4%	2.8%	2.7%	2.7%	2.6%	2.9%	2.5%
National (Thousands)	2,095	2,078	2,050	2,028	2,018	2,011	2,000	1,988	1,977	1,970	1,964	1,960
% Ch	-3.7%	-3.1%	-5.3%	-4.2%	-2.0%	-1.5%	-2.1%	-2.5%	-2.2%	-1.4%	-1.1%	-1.0%
MINING												
Idaho	2,779	2,754	2,758	2,758	2,740	2,726	2,711	2,692	2,670	2,653	2,637	2,620
% Ch	-3.0%	-3.5%	0.7%	0.0%	-2.6%	-2.0%	-2.1%	-2.9%	-3.2%	-2.5%	-2.4%	-2.6%
National (Thousands)	680	684	683	675	671	669	666	664	662	660	655	649
% Ch	4.8%	2.4%	-0.7%	-4.5%	-2.4%	-1.3%	-1.7%	-0.8%	-1.2%	-1.7%	-2.8%	-3.3%
CONSTRUCTION												
Idaho	51,619	51,321	51,229	51,100	51,033	51,048	50,797	50,223	49,724	49,469	49,396	49,414
% Ch	-7.3%	-2.3%	-0.7%	-1.0%	-0.5%	0.1%	-2.0%	-4.4%	-3.9%	-2.0%	-0.6%	0.1%
National (Thousands)	7,516	7,403	7,360	7,361	7,378	7,356	7,346	7,355	7,388	7,438	7,495	7,558
% Ch	-3.7%	-5.9%	-2.3%	0.1%	0.9%	-1.2%	-0.5%	0.4%	1.9%	2.7%	3.1%	3.4%
NONGOODS PRODUCING												
Idaho	543,206	546,887	550,921	554,827	558,548	562,272	565,855	569,685	574,075	577,918	581,354	585,395
% Ch	2.7%	2.7%	3.0%	2.9%	2.7%	2.7%	2.6%	2.7%	3.1%	2.7%	2.4%	2.8%
National (Thousands)	116,626	117,017	117,494	117,979	118,511	119,081	119,538	119,947	120,357	120,750	121,108	121,457
% Ch	1.3%	1.3%	1.6%	1.7%	1.8%	1.9%	1.5%	1.4%	1.4%	1.3%	1.2%	1.2%
SERVICES												
Idaho	310,602	313,097	315,916	318,558	321,121	323,629	326,035	328,498	330,952	333,437	335,897	338,612
% Ch	3.3%	3.3%	3.7%	3.4%	3.3%	3.2%	3.0%	3.1%	3.0%	3.0%	3.0%	3.3%
National (Thousands)	72,823	73,187	73,560	73,914	74,338	74,779	75,148	75,486	75,768	76,136	76,544	76,882
% Ch	1.8%	2.0%	2.1%	1.9%	2.3%	2.4%	2.0%	1.8%	1.5%	2.0%	2.2%	1.8%
INFORMATION												
Idaho	10,845	10,871	10,920	10,989	11,064	11,143	11,223	11,304	11,386	11,470	11,556	11,645
% Ch	0.2%	0.9%	1.8%	2.6%	2.8%	2.9%	2.9%	2.9%	2.9%	3.0%	3.0%	3.1%
National (Thousands)	3,092	3,123	3,133	3,120	3,097	3,100	3,107	3,112	3,111	3,112	3,110	3,104
% Ch	0.7%	4.1%	1.3%	-1.6%	-2.9%	0.3%	1.0%	0.6%	-0.2%	0.1%	-0.3%	-0.8%
FINANCIAL ACTIVITIES												
Idaho	33,024	33,250	33,479	33,709	33,941	34,177	34,402	34,621	34,842	35,075	35,320	35,574
% Ch	2.6%	2.8%	2.8%	2.8%	2.8%	2.8%	2.7%	2.6%	2.6%	2.7%	2.8%	2.9%
National (Thousands)	8,434	8,444	8,488	8,524	8,568	8,617	8,665	8,707	8,748	8,776	8,818	8,868
% Ch	-0.3%	0.5%	2.1%	1.7%	2.1%	2.3%	2.3%	2.0%	1.9%	1.3%	1.9%	2.3%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2008**

EMPLOYMENT

SERVICES (Continued)												
	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4	Q1	2007 Q2	Q3	Q4
TRANS., WAREHOUSING, UTILITIES												
Idaho	18,958	19,117	19,471	19,630	19,965	20,207	20,276	20,520	20,860	21,033	21,130	21,269
% Ch	0.5%	3.4%	7.6%	3.3%	7.0%	4.9%	1.4%	4.9%	6.8%	3.3%	1.9%	2.7%
National (Thousands)	4,879	4,908	4,928	4,948	4,976	5,000	5,024	5,055	5,070	5,073	5,089	5,108
% Ch	2.9%	2.4%	1.7%	1.6%	2.3%	1.9%	1.9%	2.5%	1.2%	0.2%	1.3%	1.5%
PROFESSIONAL & BUSINESS												
Idaho	75,746	76,361	77,458	78,090	80,608	81,351	81,622	81,876	82,255	83,089	83,951	84,463
% Ch	6.3%	3.3%	5.9%	3.3%	13.5%	3.7%	1.3%	1.3%	1.9%	4.1%	4.2%	2.5%
National (Thousands)	16,697	16,839	17,033	17,217	17,378	17,499	17,615	17,727	17,826	17,879	17,939	18,055
% Ch	2.7%	3.4%	4.7%	4.4%	3.8%	2.8%	2.7%	2.6%	2.3%	1.2%	1.3%	2.6%
EDUCATION & HEALTH												
Idaho	67,416	67,775	68,193	68,558	68,544	69,323	71,199	71,353	72,695	73,722	74,473	75,041
% Ch	6.7%	2.2%	2.5%	2.2%	-0.1%	4.6%	11.3%	0.9%	7.7%	5.8%	4.1%	3.1%
National (Thousands)	17,188	17,306	17,452	17,540	17,665	17,771	17,889	18,019	18,143	18,301	18,473	18,617
% Ch	1.9%	2.8%	3.4%	2.0%	2.9%	2.4%	2.7%	2.9%	2.8%	3.5%	3.8%	3.2%
LEISURE & HOSPITALITY												
Idaho	56,620	56,777	57,701	58,331	58,751	59,332	59,708	60,879	62,048	63,172	63,506	64,117
% Ch	6.2%	1.1%	6.7%	4.4%	2.9%	4.0%	2.6%	8.1%	7.9%	7.4%	2.1%	3.9%
National (Thousands)	12,691	12,806	12,873	12,887	12,984	13,072	13,184	13,318	13,423	13,524	13,598	13,709
% Ch	2.7%	3.7%	2.1%	0.4%	3.0%	2.7%	3.5%	4.1%	3.2%	3.0%	2.2%	3.3%
OTHER SERVICES												
Idaho	18,349	18,390	18,508	18,650	18,786	18,954	19,166	19,149	19,250	19,418	19,392	19,563
% Ch	0.8%	0.9%	2.6%	3.1%	2.9%	3.6%	4.6%	-0.4%	2.1%	3.5%	-0.5%	3.6%
National (Thousands)	5,388	5,393	5,403	5,394	5,418	5,429	5,433	5,447	5,453	5,477	5,477	5,480
% Ch	-0.7%	0.3%	0.8%	-0.7%	1.8%	0.8%	0.3%	1.0%	0.4%	1.7%	0.0%	0.2%
TRADE												
Idaho	101,839	102,849	104,581	105,436	105,876	106,960	107,943	109,085	111,249	111,483	112,702	113,645
% Ch	6.3%	4.0%	6.9%	3.3%	1.7%	4.2%	3.7%	4.3%	8.2%	0.8%	4.4%	3.4%
National (Thousands)	20,887	21,012	21,123	21,150	21,213	21,199	21,208	21,253	21,332	21,377	21,407	21,394
% Ch	1.2%	2.4%	2.1%	0.5%	1.2%	-0.3%	0.2%	0.9%	1.5%	0.8%	0.6%	-0.2%
RETAIL TRADE												
Idaho	75,489	76,232	77,445	78,022	79,171	80,016	80,994	81,856	83,438	83,533	84,239	84,943
% Ch	5.3%	4.0%	6.5%	3.0%	6.0%	4.3%	5.0%	4.3%	8.0%	0.5%	3.4%	3.4%
National (Thousands)	15,174	15,265	15,345	15,339	15,359	15,312	15,298	15,316	15,375	15,385	15,383	15,348
% Ch	1.3%	2.4%	2.1%	-0.1%	0.5%	-1.2%	-0.4%	0.5%	1.5%	0.3%	-0.1%	-0.9%
WHOLESALE TRADE												
Idaho	26,350	26,617	27,136	27,413	26,705	26,944	26,949	27,229	27,811	27,950	28,463	28,703
% Ch	9.1%	4.1%	8.0%	4.2%	-9.9%	3.6%	0.1%	4.2%	8.8%	2.0%	7.5%	3.4%
National (Thousands)	5,713	5,747	5,779	5,811	5,854	5,888	5,910	5,936	5,957	5,992	6,024	6,047
% Ch	1.0%	2.4%	2.2%	2.2%	3.0%	2.3%	1.5%	1.8%	1.4%	2.4%	2.1%	1.5%
STATE & LOCAL GOVERNMENT												
Idaho	101,675	101,488	102,228	102,066	103,567	103,692	103,679	103,157	102,995	103,996	104,775	105,118
% Ch	-0.9%	-0.7%	2.9%	-0.6%	6.0%	0.5%	-0.1%	-2.0%	-0.6%	3.9%	3.0%	1.3%
National (Thousands)	19,011	19,049	19,117	19,119	19,144	19,212	19,297	19,388	19,453	19,521	19,548	19,645
% Ch	0.9%	0.8%	1.4%	0.0%	0.5%	1.4%	1.8%	1.9%	1.4%	1.4%	0.6%	2.0%
EDUCATION												
Idaho	51,297	51,144	51,557	51,204	52,106	52,301	53,472	52,703	52,633	53,109	53,057	53,244
% Ch	0.8%	-1.2%	3.3%	-2.7%	7.2%	1.5%	9.3%	-5.6%	-0.5%	3.7%	-0.4%	1.4%
NONEDUCATION												
Idaho	50,378	50,344	50,670	50,863	51,461	51,392	50,207	50,454	50,362	50,887	51,718	51,874
% Ch	-2.6%	-0.3%	2.6%	1.5%	4.8%	-0.5%	-8.9%	2.0%	-0.7%	4.2%	6.7%	1.2%
FEDERAL GOVERNMENT												
Idaho	13,184	13,152	12,918	13,058	12,983	12,765	12,878	12,867	12,977	12,896	12,712	12,707
% Ch	-1.6%	-1.0%	-6.9%	4.4%	-2.3%	-6.6%	3.6%	-0.3%	3.5%	-2.4%	-5.6%	-0.2%
National (Thousands)	2,728	2,732	2,732	2,737	2,729	2,731	2,733	2,719	2,717	2,712	2,712	2,712
% Ch	-0.1%	0.6%	0.0%	0.7%	-1.2%	0.3%	0.2%	-2.0%	-0.2%	-0.7%	0.0%	0.0%

**National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007**

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2008**

EMPLOYMENT

SERVICES (Continued)	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TRANS., WAREHOUSING, UTILITIES												
Idaho	21,275	21,279	21,284	21,285	21,290	21,290	21,287	21,286	21,295	21,314	21,340	21,373
% Ch	0.1%	0.1%	0.1%	0.0%	0.1%	0.0%	-0.1%	0.0%	0.2%	0.4%	0.5%	0.6%
National (Thousands)	5,124	5,122	5,155	5,181	5,213	5,256	5,298	5,330	5,355	5,390	5,433	5,473
% Ch	1.3%	-0.2%	2.6%	2.1%	2.5%	3.3%	3.3%	2.4%	1.8%	2.6%	3.2%	3.0%
PROFESSIONAL & BUSINESS												
Idaho	85,218	86,023	87,144	88,154	89,135	90,075	90,939	91,824	92,696	93,544	94,353	95,280
% Ch	3.6%	3.8%	5.3%	4.7%	4.5%	4.3%	3.9%	4.0%	3.9%	3.7%	3.5%	4.0%
National (Thousands)	18,110	18,193	18,327	18,495	18,696	18,916	19,134	19,303	19,432	19,627	19,830	19,976
% Ch	1.2%	1.8%	3.0%	3.7%	4.4%	4.8%	4.7%	3.6%	2.7%	4.1%	4.2%	3.0%
EDUCATION & HEALTH												
Idaho	75,776	76,433	77,091	77,680	78,238	78,817	79,417	80,074	80,738	81,409	82,057	82,800
% Ch	4.0%	3.5%	3.5%	3.1%	2.9%	3.0%	3.1%	3.4%	3.4%	3.4%	3.2%	3.7%
National (Thousands)	18,788	18,914	19,062	19,128	19,256	19,376	19,456	19,523	19,582	19,648	19,724	19,778
% Ch	3.7%	2.7%	3.2%	1.4%	2.7%	2.5%	1.7%	1.4%	1.2%	1.4%	1.6%	1.1%
LEISURE & HOSPITALITY												
Idaho	64,736	65,320	65,881	66,417	66,929	67,403	67,846	68,263	68,657	69,068	69,494	69,936
% Ch	3.9%	3.7%	3.5%	3.3%	3.1%	2.9%	2.7%	2.5%	2.3%	2.4%	2.5%	2.6%
National (Thousands)	13,758	13,849	13,846	13,941	14,010	14,036	14,029	14,062	14,100	14,142	14,187	14,238
% Ch	1.4%	2.7%	-0.1%	2.8%	2.0%	0.8%	-0.2%	1.0%	1.1%	1.2%	1.3%	1.4%
OTHER SERVICES												
Idaho	19,728	19,922	20,117	20,323	20,524	20,724	20,922	21,127	21,338	21,556	21,776	22,003
% Ch	3.4%	4.0%	4.0%	4.2%	4.0%	4.0%	3.9%	4.0%	4.1%	4.1%	4.1%	4.2%
National (Thousands)	5,517	5,541	5,548	5,525	5,498	5,478	5,458	5,448	5,441	5,441	5,444	5,443
% Ch	2.7%	1.8%	0.5%	-1.7%	-1.9%	-1.5%	-1.4%	-0.7%	-0.6%	0.0%	0.2%	0.0%
TRADE												
Idaho	114,399	115,368	116,316	117,349	118,337	119,324	120,293	121,314	122,391	123,517	124,660	125,855
% Ch	2.7%	3.4%	3.3%	3.6%	3.4%	3.4%	3.3%	3.4%	3.6%	3.7%	3.8%	3.9%
National (Thousands)	21,402	21,384	21,463	21,575	21,663	21,781	21,847	21,870	21,846	21,850	21,859	21,867
% Ch	0.1%	-0.3%	1.5%	2.1%	1.7%	2.2%	1.2%	0.4%	-0.4%	0.1%	0.2%	0.1%
RETAIL TRADE												
Idaho	85,501	86,241	86,986	87,797	88,573	89,348	90,111	90,912	91,757	92,638	93,534	94,468
% Ch	2.7%	3.5%	3.5%	3.8%	3.6%	3.5%	3.5%	3.6%	3.8%	3.9%	3.9%	4.1%
National (Thousands)	15,369	15,358	15,400	15,511	15,594	15,693	15,728	15,736	15,707	15,689	15,665	15,644
% Ch	0.6%	-0.3%	1.1%	2.9%	2.2%	2.6%	0.9%	0.2%	-0.7%	-0.4%	-0.6%	-0.5%
WHOLESALE TRADE												
Idaho	28,898	29,128	29,330	29,552	29,764	29,975	30,183	30,402	30,635	30,878	31,127	31,387
% Ch	2.7%	3.2%	2.8%	3.1%	2.9%	2.9%	2.8%	2.9%	3.1%	3.2%	3.3%	3.4%
National (Thousands)	6,032	6,025	6,063	6,064	6,069	6,088	6,119	6,134	6,139	6,161	6,194	6,222
% Ch	-1.0%	-0.5%	2.5%	0.1%	0.3%	1.2%	2.1%	1.0%	0.4%	1.4%	2.2%	1.9%
STATE & LOCAL GOVERNMENT												
Idaho	105,492	105,673	105,912	106,118	106,258	106,470	106,653	106,870	107,149	107,427	107,682	107,965
% Ch	1.4%	0.7%	0.9%	0.8%	0.5%	0.8%	0.7%	0.8%	1.0%	1.0%	1.0%	1.1%
National (Thousands)	19,694	19,732	19,752	19,771	19,790	19,806	19,830	19,860	19,895	19,934	19,974	20,016
% Ch	1.0%	0.8%	0.4%	0.4%	0.4%	0.3%	0.5%	0.6%	0.7%	0.8%	0.8%	0.8%
EDUCATION												
Idaho	53,488	53,610	53,728	53,920	54,076	54,262	54,435	54,624	54,858	55,087	55,286	55,506
% Ch	1.8%	0.9%	0.9%	1.4%	1.2%	1.4%	1.3%	1.4%	1.7%	1.7%	1.5%	1.6%
NONEDUCATION												
Idaho	52,005	52,063	52,184	52,199	52,182	52,208	52,218	52,247	52,291	52,340	52,396	52,459
% Ch	1.0%	0.4%	0.9%	0.1%	-0.1%	0.2%	0.1%	0.2%	0.3%	0.4%	0.4%	0.5%
FEDERAL GOVERNMENT												
Idaho	12,714	12,749	12,776	12,802	12,831	12,850	12,874	13,002	13,583	13,538	13,114	12,963
% Ch	0.2%	1.1%	0.9%	0.8%	0.9%	0.6%	0.8%	4.0%	19.1%	-1.3%	-11.9%	-4.5%
National (Thousands)	2,708	2,714	2,718	2,719	2,719	2,716	2,713	2,732	2,849	2,830	2,731	2,692
% Ch	-0.6%	0.9%	0.5%	0.2%	0.0%	-0.5%	-0.4%	2.7%	18.4%	-2.7%	-13.2%	-5.5%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2008**

MISCELLANEOUS

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	111.745	112.455	113.422	114.398	115.363	116.350	117.030	117.527	118.750	119.527	119.806	120.242
% Ch	3.9%	2.6%	3.5%	3.5%	3.4%	3.5%	2.4%	1.7%	4.2%	2.6%	0.9%	1.5%
Consumption Expenditures	110.119	111.037	112.205	112.989	113.480	114.670	115.406	115.143	116.129	117.345	117.832	118.851
% Ch	2.2%	3.4%	4.3%	2.8%	1.7%	4.3%	2.6%	-0.9%	3.5%	4.3%	1.7%	3.5%
Durable Goods	90.470	90.375	89.735	89.491	89.276	89.110	88.827	88.213	87.798	87.488	87.092	86.794
% Ch	0.1%	-0.4%	-2.8%	-1.1%	-1.0%	-0.7%	-1.3%	-2.7%	-1.9%	-1.4%	-1.8%	-1.4%
Nondurable Goods	109.234	110.570	113.113	113.328	113.405	115.763	116.576	114.210	115.620	118.413	118.751	120.553
% Ch	0.3%	5.0%	9.5%	0.8%	0.3%	8.6%	2.8%	-7.9%	5.0%	10.0%	1.1%	6.2%
Services	115.204	116.165	117.100	118.434	119.316	120.252	121.209	122.122	123.252	124.055	124.848	125.813
% Ch	3.6%	3.4%	3.3%	4.6%	3.0%	3.2%	3.2%	3.0%	3.8%	2.6%	2.6%	3.1%
Consumer Price Index	1.921	1.940	1.966	1.983	1.992	2.017	2.032	2.022	2.041	2.071	2.080	2.103
% Ch	2.1%	3.9%	5.6%	3.4%	1.9%	5.0%	3.1%	-2.1%	3.8%	6.0%	1.9%	4.5%
SELECTED INTEREST RATES												
Federal Funds	2.5%	2.9%	3.5%	4.0%	4.5%	4.9%	5.2%	5.2%	5.3%	5.3%	5.1%	4.5%
NY Fed Discount	3.4%	3.9%	4.4%	5.0%	5.4%	5.9%	6.3%	6.3%	6.3%	6.3%	6.0%	5.0%
Prime	5.4%	5.9%	6.4%	7.0%	7.4%	7.9%	8.3%	8.3%	8.3%	8.3%	8.2%	7.6%
Existing Home Mortgage	5.8%	5.8%	5.8%	6.2%	6.4%	6.6%	6.8%	6.5%	6.4%	6.5%	6.8%	6.5%
U.S. Govt. 3-Month Bills	2.5%	2.9%	3.4%	3.8%	4.4%	4.7%	4.9%	4.9%	5.0%	4.7%	4.4%	3.4%
U.S. Govt. 6-Month Bills	2.8%	3.1%	3.6%	4.1%	4.5%	4.8%	5.0%	4.9%	4.9%	4.8%	4.5%	3.6%
U.S. Govt. 5-Year Notes	3.9%	3.9%	4.0%	4.4%	4.5%	5.0%	4.8%	4.6%	4.6%	4.8%	4.5%	3.8%
U.S. Govt. 10-Year Notes	4.3%	4.2%	4.2%	4.5%	4.6%	5.1%	4.9%	4.6%	4.7%	4.8%	4.7%	4.2%
SELECTED US PRODUCTION INDICES												
Wood Products	108.5	108.9	110.5	116.5	113.8	110.6	107.1	99.5	98.2	100.2	98.8	92.1
% Ch	12.1%	1.7%	5.8%	23.5%	-8.9%	-10.8%	-11.8%	-25.5%	-5.4%	8.3%	-5.4%	-24.4%
Computers & Electronic Products	131.9	137.0	142.6	152.4	156.5	166.3	174.3	180.3	181.7	185.4	192.6	197.5
% Ch	9.8%	16.4%	17.6%	30.5%	11.2%	27.4%	20.6%	14.6%	3.1%	8.5%	16.4%	10.6%
Food	103.6	104.2	104.5	105.7	106.6	107.0	107.5	109.7	110.8	112.3	113.7	114.6
% Ch	7.6%	2.2%	1.4%	4.5%	3.6%	1.3%	2.0%	8.5%	4.1%	5.3%	5.3%	3.0%
Agricultural Chemicals	115.7	115.5	118.4	113.0	115.6	120.0	121.1	109.9	108.1	106.0	112.1	112.5
% Ch	11.5%	-0.8%	10.2%	-17.0%	9.5%	16.1%	3.7%	-32.0%	-6.5%	-7.4%	24.8%	1.7%
Metal Ore Mining	100.6	103.2	103.1	100.1	102.7	103.7	101.4	105.0	101.3	105.7	105.6	108.0
% Ch	10.3%	11.0%	-0.4%	-11.4%	11.1%	3.7%	-8.5%	14.8%	-13.2%	18.6%	-0.4%	9.4%

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2008**

MISCELLANEOUS

	Q1	2008 Q2	Q3	Q4	Q1	2009 Q2	Q3	Q4	Q1	2010 Q2	Q3	Q4
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	120.916	121.332	121.745	122.140	122.693	123.204	123.759	124.314	124.947	125.543	126.125	126.728
% Ch	2.3%	1.4%	1.4%	1.3%	1.8%	1.7%	1.8%	1.8%	2.1%	1.9%	1.9%	1.9%
Consumption Expenditures	119.247	119.552	120.030	120.439	120.957	121.536	122.106	122.620	123.169	123.730	124.297	124.852
% Ch	1.3%	1.0%	1.6%	1.4%	1.7%	1.9%	1.9%	1.7%	1.8%	1.8%	1.8%	1.8%
Durable Goods	86.369	86.039	85.839	85.693	85.594	85.498	85.385	85.238	85.050	84.836	84.607	84.367
% Ch	-1.9%	-1.5%	-0.9%	-0.7%	-0.5%	-0.5%	-0.5%	-0.7%	-0.9%	-1.0%	-1.1%	-1.1%
Nondurable Goods	120.424	120.111	120.367	120.473	120.793	121.336	121.819	122.181	122.657	123.194	123.714	124.203
% Ch	-0.4%	-1.0%	0.9%	0.4%	1.1%	1.8%	1.6%	1.2%	1.6%	1.8%	1.7%	1.6%
Services	126.690	127.472	128.234	128.940	129.716	130.488	131.279	132.041	132.819	133.596	134.397	135.197
% Ch	2.8%	2.5%	2.4%	2.2%	2.4%	2.4%	2.4%	2.3%	2.4%	2.4%	2.4%	2.4%
Consumer Price Index	2.110	2.113	2.120	2.126	2.136	2.147	2.158	2.167	2.177	2.188	2.198	2.208
% Ch	1.2%	0.6%	1.5%	1.2%	1.8%	2.1%	2.0%	1.7%	1.9%	2.0%	1.9%	1.8%

SELECTED INTEREST RATES

Federal Funds	3.8%	3.5%	3.5%	3.5%	3.5%	3.8%	4.2%	4.5%	4.8%	4.8%	4.8%	4.8%
NY Fed Discount	4.3%	4.0%	4.0%	4.0%	4.0%	4.5%	5.2%	5.5%	5.8%	5.8%	5.8%	5.8%
Prime	6.8%	6.5%	6.5%	6.5%	6.5%	6.8%	7.2%	7.5%	7.8%	7.8%	7.8%	7.8%
Existing Home Mortgage	6.1%	6.0%	5.9%	6.0%	6.0%	6.2%	6.5%	6.8%	7.0%	7.0%	7.0%	7.0%
U.S. Govt. 3-Month Bills	3.1%	3.0%	3.1%	3.2%	3.4%	3.6%	4.0%	4.4%	4.6%	4.6%	4.6%	4.6%
U.S. Govt. 6-Month Bills	3.2%	3.1%	3.2%	3.3%	3.5%	3.7%	4.1%	4.5%	4.7%	4.7%	4.7%	4.7%
U.S. Govt. 5-Year Notes	3.4%	3.4%	3.5%	3.6%	3.8%	4.0%	4.4%	4.8%	5.0%	5.1%	5.1%	5.1%
U.S. Govt. 10-Year Notes	3.8%	3.8%	3.9%	4.0%	4.1%	4.3%	4.7%	5.1%	5.3%	5.3%	5.3%	5.3%

SELECTED US PRODUCTION INDICES

Wood Products	85.7	81.4	80.3	80.4	81.8	83.6	85.4	87.1	89.7	91.6	93.5	95.7
% Ch	-25.1%	-18.5%	-5.3%	0.5%	7.0%	9.5%	8.6%	8.3%	12.3%	8.7%	8.8%	9.9%
Computers & Electronic Products	203.6	209.7	215.2	220.4	226.4	232.4	239.1	246.4	253.9	261.3	268.2	274.9
% Ch	12.8%	12.6%	11.0%	10.0%	11.3%	11.1%	12.0%	12.9%	12.8%	12.1%	11.1%	10.3%
Food	115.1	115.4	115.8	116.2	116.7	117.2	117.7	118.3	118.9	119.5	120.1	120.7
% Ch	1.8%	1.1%	1.4%	1.5%	1.6%	1.7%	1.8%	1.9%	2.0%	2.1%	2.1%	2.1%
Agricultural Chemicals	113.1	113.9	114.8	115.7	116.6	117.4	118.3	119.4	120.4	121.5	122.5	123.5
% Ch	2.2%	2.7%	3.2%	3.2%	3.2%	2.6%	3.3%	3.5%	3.7%	3.6%	3.4%	3.2%
Metal Ore Mining	108.7	109.5	110.4	111.4	112.5	113.6	114.6	115.7	116.7	117.7	118.4	119.0
% Ch	2.6%	3.0%	3.3%	3.7%	4.0%	4.0%	3.6%	3.9%	3.5%	3.5%	2.4%	2.0%

APPENDIX

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THE GLOBAL INSIGHT U.S. MACROECONOMIC MODEL

Global Insight's Macroeconomic Model is a multiple-equation model of the U.S. economy. Consisting of over 1,200 equations, the model is solved iteratively to generate the results of different policy and forecast scenarios. The model incorporates the best insights of many theoretical schools of thought to depict the economic decision processes and interactions of households, businesses, and governments.

The Global Insight model is divided into the following eight major sectors:

- I Private Domestic Spending**
- II Production and Income**
- III Taxes**
- IV International Transactions**
- V Financial**
- VI Inflation**
- VII Supply**
- VIII Expectations**

- I. **Private Domestic Spending.** Major aggregate demand components include consumption, investment, and government. Consumer purchases are divided among three categories: durable goods, nondurable goods, and services. In nearly all cases, real expenditures are influenced by real income and the relative price of consumer goods. Durable and semidurable goods are also sensitive to household net worth, current finance costs, and consumer sentiment.

Global Insight divides investment into two general categories: fixed investment and inventories. The former is driven by utilization rates, capital stock, relative prices, financial market conditions, financial balance sheet conditions, and government policies. Inventory investment is heavily influenced by such factors as past and present sales levels, vendor performance, and utilization rates.

The government sector is divided into federal government and state and local government. Most of the federal expenditure side is exogenous. Federal receipts are endogenous and divided into personal taxes, corporate taxes, indirect business taxes, and contributions for social insurance. State and local sector receipts depend primarily on federal grants and various tax rates and bases. State and local government spending is driven by legal requirements (i.e., balanced budgets), the level of federal grants (due to the matching requirements of many programs), population growth, and trend increases in personal income.

- II. **Production and Income.** The industrial production sector includes 74 standard industrial classifications. Production is a function of various cyclical and trend variables and a generated output term, i.e., the input-output (I-O) relationship between the producing industry and both intermediate industries and final demand. The cyclical and trend variables correct for changes in I-O coefficients that are implied by the changing relationship between buyers and sellers.

Pre-tax income categories include private and government wages, corporate profits, interest rate, and entrepreneurial returns. Each of these categories, except corporate profits, is determined by some combination of wages, prices, interest rates, debt levels, capacity utilization rate, and unemployment rate. Corporate profits are calculated as the residual of total national income less the nonprofit components of income mentioned above.

- III. **Taxes.** The model tracks personal, corporate, payroll, and excise taxes separately. Tax revenues are simultaneously forecast as the product of the rate and the associated pre-tax income components. The model automatically adjusts the effective average personal tax rate for variations in inflation and income per household, and the effective average corporate rate for credits earned on equipment, utility structures, and R&D. State taxes are fully endogenous, except for corporate profits and social insurance tax rates.
- IV. **International.** The international sector can either add or divert strength from the central flow of domestic income and spending. Imports' ability to capture varying shares of domestic demand depends on the prices of foreign output, the U.S. exchange rate, and competing domestic prices. Exports' portion of domestic spending depends on similar variables and the level of world gross domestic product. The exchange rate itself responds to international differences in inflation, interest rates, trade deficits, and capital flows between the U.S. and its competitors. Investment income flows are also explicitly modeled.
- V. **Financial.** The Global Insight model includes a highly detailed financial sector. Several short- and long-term interest rates are covered in this model, and they are the key output of this sector. The short-term rates depend upon the balance between the demand and supply of reserves in the banking system. The supply of reserves is the primary exogenous monetary policy lever within the model, reflecting the Federal Reserve's open market purchases or sales of Treasury securities. Longer-term interest rates are driven by shorter-term rates as well as factors affecting the slope of the yield curve. These factors include inflation expectations, government borrowing requirements, and corporate finance needs.
- VI. **Inflation.** Inflation is modeled as a controlled, interactive process involving wages, prices, and market conditions. The principal domestic cost influences are labor compensation, nonfarm productivity, and foreign input costs that later are driven by the exchange rate, the price of oil, and foreign wholesale price inflation. This set of cost influences drives each of the industry-specific producer price indexes, in combination with a demand pressure indicator and appropriately weighted composites of the other producer price indexes.
- VII. **Supply.** In this model, aggregate supply (or potential GNP), is estimated by a Cobb-Douglas production function that combines factor input growth and improvements to total factor productivity. Factor input equals a weighted average of labor, business fixed capital, and energy. Factor supplies are defined by estimates of the full employment labor force, the full employment capital stock net of pollution abatement equipment, the domestic production of petroleum and natural gas, and the stock of infrastructure. Total factor productivity depends upon the stock of research and development capital and trend technological change.
- VIII. **Expectations.** Expectations impact several expenditure categories in the model, but the principal nuance relates to the entire spectrum of interest rates. Shifts in price expectations or the expected government capital needs influences are captured directly in this model through price expectations and budget deficit terms. The former impacts all interest rates and the latter impacts intermediate- and long-term rates. On the expenditure side, inflationary expectations impact consumption via consumer sentiment, while growth expectations affect business investment.

THE IDAHO ECONOMIC MODEL

The Idaho Economic Model (IEM) is an income and employment based model of Idaho's economy. The Model consists of a simultaneous system of linear regression equations, which are estimated using quarterly data. The primary exogenous variables are obtained from the Global Insight U.S. Macroeconomic Model. Endogenous variables are forecast at the statewide level of aggregation.

The focal point of the IEM is Idaho personal income, which is given by the identity:

**personal income = wage and salary payments + other labor
income + farm proprietors' income + nonfarm proprietors'
income + property income + transfer payments - contributions
for social insurance + residence adjustment.**

With the exception of farm proprietors' income and wage and salary payments, each of the components of personal income is estimated stochastically by a single equation. Farm proprietors' income and wage and salary payments each comprise submodels containing a system of stochastic equations and identities.

The farm proprietor sector is estimated using a highly-aggregated submodel consisting of equations for crop marketing receipts, livestock marketing receipts, production expenses, inventory changes, imputed rent income, corporate farm income, and government payments to farmers. Farm proprietors' income includes inventory changes and imputed rent, but this component is netted out of the tax base.

At the heart of the IEM is the wage and salary sector, which includes stochastic employment equations for 23 North American Industry Classification System employment categories. Conceptually, the employment equations are divided into basic and domestic activities. The basic employment equations are specified primarily as functions of national demand and supply variables. Domestic employment equations are specified primarily as functions of state-specific demand variables. Average annual wages are estimated for several broad employment categories and are combined with employment to arrive at aggregate wage and salary payments.

The demographic component of the model is used to forecast components of population change and housing starts. Resident population, births, and deaths are modeled stochastically. Net migration is calculated residually from the estimates for those variables. Housing starts are divided into single and multiple units. Each equation is functionally related to economic and population variables.

The output of the IEM (i.e., the forecast values of the endogenous variables) is determined by the parameters of the equations and the values of exogenous variables over the forecast period. The values of equation parameters are determined by the historic values of both the exogenous and endogenous variables. IEM equation parameters are estimated using the technique of ordinary least squares. Model equations are occasionally respecified in response to the dynamic nature of the Idaho and national economies. Parameter values for a particular equation (given the same specification) may change as a result of revisions in the historic data or a change in the time interval of the estimation. In general, parameter values should remain relatively constant over time, with changes reflecting changing structural relationships.

While the equation parameters are determined by structural relationships and remain relatively fixed, the forecast period exogenous variable values are more volatile determinants of the forecast values of

endogenous variables. They are more often subject to change as expectations regarding future economic behavior change, and they are more likely to give rise to debate over appropriate values. As mentioned above, the forecast period values of exogenous variables are primarily obtained from Global Insight's U.S. macroeconomic model.

Since the output of the IEM depends in large part upon the output of the Global Insight model, an understanding of the Global Insight model, its input assumptions, and its output is useful in evaluating the results of the IEM's forecast. The assumptions and output of the Global Insight model are discussed in the National Forecast section.

IDAHO ECONOMIC MODEL

$$EEA_ID = EEA_ID_GOODS + EEA_ID_NONGOODS$$

$$EEA_ID_2100 = 3624.798 + 34.818*ID0IP2122_2123 - 3356.247*(JULCNF/WPI10) - 17.417*TREND$$

$$EEA_ID_2300 = 15375.250 + 444.302*ID0HSPRS1_A + 380.831*ID0HSPRS1_A(-1) + 317.359*ID0HSPRS1_A(-2) \\ + 253.887*ID0HSPRS1_A(-3) + 190.415*ID0HSPRS1_A(-4) + 126.944*ID0HSPRS1_A(-5) \\ + 63.472*ID0HSPRS1_A(-6)$$

$$EEA_ID_3110 = 20829.470 + 216.705*MOVAV(IPSG311,4) - 327.152*MOVAV(IPSG311/EMN311,4) - \\ 38.274*TREND$$

$$EEA_ID_3230 = 2042.338 + 18.257*MOVAV(IPSG323,4) - 13.019* MOVAV((IPSG323/EMN323),8)$$

$$EEA_ID_3250 = 2681.935 + 13.316*MOVAV(IPSG3253(-1),4) - 1997.815*DUM951ON$$

$$EEA_ID_3320 = -1793.753 + 54.303*MOVAV(IPSG332,2)$$

$$EEA_ID_3330 = 1757.592 + 18.527*MOVAV(IPSG3332,4) - 6.201*TREND$$

$$EEA_ID_3340 = 12579.570 + 164.578*MOVAV(IPSG3341,4) + 11.278*DUM911011* MOVAV(IPSG3341,4) \\ - 190.248*MOVAV((IPSG3341/EMD334),8)$$

$$EEA_ID_4200 = 6463.830 + 0.307*EEA_ID_44_45 - 26.410*TREND$$

$$EEA_ID_44_45 = 34804.46 + 271.182*MOVAV((YPADJ_ID/JPC),4) - 370.441*TREND$$

$$EEA_ID_48_49_22 = -6037.813 + 0.828*MOVAV(EEA_ID_4200,2) + 2984.025*MOVAV(ID0NPT(-1),8)$$

$$EEA_ID_5100 = -5984.097 + 49.188*MOVAV(IPSG51111,4) + 78.967*TREND + 400.588*DUM061ON$$

$$EEA_ID_52_53 = -8740.715 - 5585.218*DUM981ON + 2033.346*(DUM9801004*MOVAV(SP500/SP500(-2),2) \\ + 89.986*ID0KHU$$

$$EEA_ID_54_55_56 = -35767.310 + 145.140*YPADJ_ID/JPC + 208.759*MOVAV(RADR,8)$$

$$EEA_ID_61_62 = -38779.329 + 44555.830*MOVAV(ID0NPT,4) + 117.043*YPADJ_ID/JPC$$

$$EEA_ID_71_72 = -42109.460 + 120613.243*MOVAV(ID0NPT,8) - 447.875*TREND$$

$$EEA_ID_8100 = 3304.257 + 45.029*MOVAV((YPADJ_ID/JPC),4) + 1250.768*DUM931964 - \\ 1230.69*DUM061ON$$

$$EEA_ID_DMANU = EEA_ID_WOOD + EEA_ID_3320 + EEA_ID_3330 + EEA_ID_3340 + EEA_ID_MFDNEC$$

$$EEA_ID_GOODS = EEA_ID_MANU + EEA_ID_2300 + EEA_ID_2100$$

$$EEA_ID_GV = EEA_ID_GVSL + EEA_ID_GVF$$

$$EEA_ID_GVF = 1930.694 + 667773.000*EG91*(ID0NPT/N) + 3105.423*EG91*(GFOR/GFR) - 2.647*TREND$$

$$EEA_ID_GVSL = EEA_ID_GVSLAD + EEA_ID_GVSLED$$

$$EEA_ID_GVSLAD = 2945.685 + 24614.845*MOVAV(ID0NPT,4) + 0.487*MOVAV(ID0YPTXB(-4),4)$$

$$EEA_ID_GVSLED = 10452.86 + 42075.390*ID0NPT*((N-N16A)/N) + 0.610*MOVAV(ID0YPTXB(-4),2) + 79.871*TREND$$

$$EEA_ID_MANU = EEA_ID_DMANU + EEA_ID_NMANU$$

$$EEA_ID_MFDNEC = -3649.058 + 126.198*MOVAV(ID0IPMFDNEC,2)$$

$$EEA_ID_MFNNEC = 948.668 + 1.573*(CNCSR+CNOOR) + 22.093*MOVAV(IPSG322,2)$$

$$EEA_ID_NMANU = EEA_ID_3110 + EEA_ID_3230 + EEA_ID_3250 + EEA_ID_MFNNEC$$

$$EEA_ID_NONGOODS = EEA_ID_SV + EEA_ID_4200 + EEA_ID_44_45 + EEA_ID_GV$$

$$EEA_ID_SV = EEA_ID_48_49_22 + EEA_ID_5100 + EEA_ID_52_53 + EEA_ID_54_55_56 + EEA_ID_61_62 + EEA_ID_71_72 + EEA_ID_8100$$

$$EEA_ID_WOOD = 18253.080 + 126.011*MOVAV(IPSG321,2) - 6837.399*(JULCNF/WPI08) - 53.799*IPSG321/EMD321 - 52.153*TREND$$

$$ID0AHEMF = -7.315 + 17.735*(EEA_ID_DMANU(-1)/EEA_ID_MANU(-1)*JULCNF) + 19.714*(EEA_ID_NMANU(-1)/EEA_ID_MANU(-1)*JULCNF)$$

$$ID0CRCROP = -18824.020 + 0.013*CRCROP + 476646.700*WPI01$$

$$ID0CRLVSTK = -351443.000 + 0.020*(CRCATCVS+CRDAIRY) + 9707.166*TREND$$

$$ID0EXFP = -67505.85 + 954349.700*WPI01 + 21343.640*TREND$$

$$ID0HSPR = ID0HSPRS1_A + ID0HSPRS2A_A$$

$$\begin{aligned} \text{ID0HSPRS1_A} &= -21.358 - 1.035 * (\text{RMMTGEXIST} - \text{MOVAV}(\text{RMMTGEXIST}(-1),4)) \\ &+ 303.427 * (\text{ID0NPT}(-1) - (\text{MOVAV}(\text{ID0NPT}(-1),8)) + 0.206 * \text{TREND} \end{aligned}$$

$$\begin{aligned} \text{ID0HSPRS2A_A} &= 5.593 + 35.168 * (\text{MOVAV}(\text{ID0NPT}(-1),4) - \text{MOVAV}(\text{ID0NPT}(-5),4)) \\ &- 0.239 * \text{MOVAV}(\text{RMMTGEXIST},4) - 0.003 * \text{TREND} * \text{RMMTGEXIST} \end{aligned}$$

$$\text{ID0KHU} = \text{ID0KHU1} + \text{ID0KHU2A}$$

$$\text{ID0KHU1} = ((0.997)^{0.25}) * \text{ID0KHU1}(-1) + \text{ID0HSPRS1_A}/4$$

$$\text{ID0KHU2A} = ((0.997)^{0.25}) * \text{ID0KHU2A}(-1) + \text{ID0HSPRS2A_A}/4$$

$$\text{ID0NB} = -11.068 + 39.781 * \text{ID0NPT} - 0.160 * \text{TREND}$$

$$\text{ID0ND} = 0.948 + 5.710 * \text{ID0NPT} + 0.009 * \text{TREND}$$

$$\text{ID0NMG} = (\text{ID0NPT} - \text{ID0NPT}(-4)) - (\text{ID0NB} - \text{ID0ND})/1000$$

$$\text{ID0NPT} = 0.422 + 0.000007 * \text{MOVAV}(\text{EEA_ID},4) + 0.004 * \text{TREND}$$

$$\text{ID0WBB\$} = \text{ID0WBBMF\$} + \text{ID0WBBOTH\$} + \text{ID0WBBCC\$} + \text{ID0WBBF\$} + \text{ID0WBBMIL\$}$$

$$\text{ID0WBBCC\$} = (\text{ID0WRWCC\$} * \text{EEA_ID_2300})/1000000$$

$$\text{ID0WBBF\$} = -129.022 + 321.023 * \text{WPI02}$$

$$\text{ID0WBBMF\$} = (\text{ID0WRWMF\$} * \text{EEA_ID_MANU})/1000000$$

$$\text{ID0WBBMIL\$} = 7.830 + 298.232 * (\text{ID0NPT}/N) * \text{GFMLCWSS}$$

$$\text{ID0WBBOTH\$} = \text{ID0WRWOTH\$} * (\text{EEA_ID} - \text{EEA_ID_2300} - \text{EEA_ID_MANU})/1000000$$

$$\text{ID0WRWCC\$} = 3696.920 + 1949.327 * \text{ID0AHEMF}$$

$$\text{ID0WRWMF\$} = 367.295 + 2785.306 * \text{ID0AHEMF}$$

$$\text{ID0WRWOTH\$} = -8231.479 + 2506.545 * \text{ID0AHEMF}$$

$$\text{ID0YDIR\$} = -161.206 + 1.111 * (\text{YPAIN} + \text{ZADIV} + \text{YPRENTADJ}) * \text{MOVAV}(\text{ID0YP\$}(-1),4) / \text{MOVAV}(\text{YP}(-1),4)$$

$$\text{ID0YFC\$} = -27156.340 + 0.901 * \text{ID0YFC\$}(-1) + 42218.17 * \text{WPI01}$$

$$\text{ID0YINV_R\$} = -32188.66 + 0.8056 * \text{ID0YINV_R\$}(-1) + 64689.94 * \text{WPI01}$$

$$ID0YP = ID0YP\$/JPC*100$$

$$ID0YP\$ = ID0WBB\$ + ID0YSUP\$ + ID0YDIR\$ + ID0YPRNF\$ + ID0YPRF\$ + ID0YTR\$ + ID0YRA\$ - ID0YSIS\$$$

$$ID0YP\$PC = ID0YP\$/ID0NPT$$

$$ID0YPNF = ID0YPNF\$/JPC*100$$

$$ID0YPNF\$ = ID0YP\$ - ID0YPRF\$ - ID0WBBF\$$$

$$ID0YPNFPC = ID0YPNF\$/JPC*100/ID0NPT$$

$$ID0YPPC = ID0YP/ID0NPT$$

$$ID0YPRF\$ = 177.604 + 0.170*((ID0CRCROP+ID0CRLVSTK+ID0YTRF\$+ID0YINV_R\$-ID0YFC\$-ID0EXFP)/1000) + 2.117*TREND$$

$$ID0YPRNF\$ = 62.870 + 4.315*YPPROPADJNF$$

$$ID0YPTXB = (ID0WBB\$ + ID0YPRNF\$ + ID0YDIR\$ + (ID0YPRF\$ - ID0YINV_R\$/1000))/JPC*100$$

$$ID0YRA\$ = -92.601 + 0.036*ID0WBB\$$$

$$ID0YSIS\$ = -12.284 + 2.239*TXSIEC*ID0WBB\$/YPCOMPWSD$$

$$ID0YSUP\$ = 53.937 + 1.562*YPCOMPSUPPAI*ID0WBB\$/YPCOMPWSD$$

$$ID0YTR\$ = -5.947 + 841.588*(YPTRFGF+YPTRFGSL)*(ID0NPT/N)$$

$$ID0YTRF\$ = 26497.24 + 0.010*TRF\$$$

$$IDWAGE = (ID0WBB\$ - ID0WBBF\$ - ID0WBBMIL\$)/EEA_ID * 1000000$$

$$YPADJ_ID = ID0YPNF\$ + MOVAV(ID0YPRF\$,4) + MOVAV(ID0WBBF\$,4)$$

ENDOGENOUS VARIABLES

EEA_ID	Employment on nonagricultural payrolls, total
EEA_ID_2100	Employment in mining
EEA_ID_2300	Employment in construction
EEA_ID_3110	Employment in food processing
EEA_ID_3230	Employment in printing
EEA_ID_3250	Employment in chemicals
EEA_ID_3320	Employment in fabricated metal products
EEA_ID_3330	Employment in machinery
EEA_ID_3340	Employment in computers and electronic products
EEA_ID_4200	Employment in wholesale trade
EEA_ID_44_45	Employment in retail trade
EEA_ID_48_49_22	Employment transportation, warehousing, and utilities
EEA_ID_5100	Employment in information
EEA_ID_52_53	Employment in finance, insurance, and real estate
EEA_ID_54_55_56	Employment in professional, scientific, and technical services
EEA_ID_61_62	Employment in health care and educational services
EEA_ID_71_72	Employment in leisure and hospitality
EEA_ID_8100	Employment in other services
EEA_ID_DMANU	Employment in durable goods manufacturing
EEA_ID_GOODS	Employment in goods producing
EEA_ID_GV	Employment in government
EEA_ID_GVF	Employment in federal government
EEA_ID_GVSL	Employment in state and local government
EEA_ID_GVSLAD	Employment in state and local government, administration
EEA_ID_GVSLED	Employment in state and local government, education
EEA_ID_MANU	Employment in manufacturing
EEA_ID_MFDNEC	Employment in other durable manufacturing
EEA_ID_MFNNEC	Employment in other nondurable manufacturing
EEA_ID_NMANU	Employment in nondurable manufacturing
EEA_ID_NONGOODS	Employment in non-goods producing
EEA_ID_SV	Employment in services
EEA_ID_WOOD	Employment in wood products and logging
ID0AHEMF	Average hourly earnings in manufacturing
ID0CRCROP	Cash receipts, crops, not seasonally adjusted
ID0CRLVSTK	Cash receipts, livestock, not seasonally adjusted
ID0EXFP	Farm production expenses
ID0HSPR	Housing starts, total
ID0HSPRS1_A	Adjusted housing starts, single units
ID0HSPRS2A_A	Adjusted housing starts, multiple units
ID0KHU	Housing stock, total
ID0KHU1	Housing stock, single units
ID0KHU2A	Housing stock, multiple units
ID0NB	Number of births
ID0ND	Number of deaths
ID0NMG	Net in-migration of persons
ID0NPT	Resident population

ID0WBB\$	Wage and salary disbursements
ID0WBBCC\$	Wage and salary disbursements, construction
ID0WBBF\$	Wage and salary disbursements, farm
ID0WBBMF\$	Wage and salary disbursements, manufacturing
ID0WBBMIL\$	Wage and salary disbursements, military
ID0WBBOTH\$	Wage and salary disbursements, except farm, manufacturing, and construction
ID0WRWCC\$	Average annual wage, construction
ID0WRWMF\$	Average annual wage, manufacturing
ID0WRWOTH\$	Average annual wage, except manufacturing, construction, and farm
ID0YDIR\$	Dividend, interest, and rent income
ID0YFC\$	Corporate farm income
ID0YINV_R\$	Farm inventory value changes, imputed rent, and income
ID0YP	Total personal income, 2000 dollars
ID0YP\$	Total personal income
ID0YP\$PC	Per capita personal income
ID0YPNF	Nonfarm personal income, 2000 dollars
ID0YPNF\$	Nonfarm personal income
ID0YPNFPC	Per capita nonfarm income, 2000 dollars
ID0YPPC	Real per capita personal income
ID0YPRF\$	Net farm proprietors' income
ID0YPRNF\$	Nonfarm proprietors' income
ID0YPTXB	Tax base, 2000 dollars
ID0YRA\$	Residence adjustment, personal income
ID0YSI\$	Contributions for social insurance
ID0YSUP\$	Other labor income
ID0YTR\$	Transfer payments to persons
ID0YTRF\$	Government payments to Idaho farmers
YPADJ_ID	Adjusted total personal income

EXOGENOUS VARIABLES

CNCSR weighted	Personal consumption expenditures, clothing and shoes, 2000 dollars, chain
CNOOR	Personal consumption expenditures, other nondurable goods, 2000 dollars, chain weighted
CRCATCVS	Cash receipts, U.S. cattle and calves
CRCROP	Cash receipts, U.S. crops
CRDAIRY	Cash receipts, U.S. dairy
DUM061ON DUM911011 DUM931964 DUM951ON DUM98011004 DUM981ON TREND	These are dummy variables used in regression equations for the purpose of capturing the impacts of discrete economic or noneconomic event such as strikes, plant opening, or closures, unusual weather conditions, etc.
EG91	Employment in federal government
EMD321	Employment in Wood Products
EMD334	Employment in Computer and Electronic Products
EMN311	Employment in Food Manufacturing
EMN323	Employment in Printing and Related Support Activities
GFMLCWSS	Federal government defense personnel outlays
GFOR	Real federal nondefense purchases of goods and services
GFR	Real federal purchases of goods and services
ID0IP2122_2123	Industrial production index, metal and nonmetal ore mining, 2002=100.0
ID0IPMFDNEC	Industrial production index, other nondurable goods, 2002=100.0
IPSG311	Industrial production index, food, 2002=100.0
IPSG321	Industrial production index, wood products, 2002=100.0
IPSG322	Industrial production index, paper, 2002=100.0
IPSG323	Industrial production index, printing, 2002=100.0
IPSG3253	Industrial production index, agricultural chemicals, 2002=100.0
IPSG332	Industrial production index, fabricated metal products, 2002=100.0
IPSG3332	Industrial production index, industrial machinery, 2002=100.0
IPSG3341	Industrial production index, computer and peripheral equipment, 2002=100.0
IPSG51111	Industrial production index, newspaper publishing, 2002=100.0
JPC	Implicit price deflator, personal consumption, 2000=100.0, chain weighted
JULCNF	Index of unit labor costs, nonfarm business sector, 1992=1.0
N	Population, U.S.
N16A	Population, U.S., aged 16 and older
RADR	Real research and development spending, 2000 dollars, chain weighted
RMMTGEXIST	Effective conventional mortgage rate, existing homes, combined lenders
SP500	Standard & Poor's 500 index of common stocks
TRF\$	Government payments to U.S. farms
TXSIEC	Personal contributions for social insurance, U.S.

WPI01	Producer price index, farm products, 1982=1.0
WPI02	Producer price index, processed foods and feeds, 1982=1.0
WPI08	Producer price index, lumber and wood products, 1982=1.0
WPI10	Producer price index, metals and metal products, 1982=1.0
YP	Personal income
YPAINT	Personal interest income
YPCOMPSUPPAI	Other labor income, U.S.
YPCOMPWSD	Wage and salary disbursements
YPPROPADJNF	Nonfarm proprietors' income (with inventory valuation and capital consumption adjustments)
YPRENTADJ	Rental income of persons with capital consumption adjustment
YPTRFGF	Federal transfer payments to individuals
YPTRFGSL	State and local transfer payments to individuals
ZADIV	Dividends